



(AN M. DAMODARAN INITIATIVE)

# SURVEY ON CORPORATE GOVERNANCE

*5th Edition*

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# GLOSSARY

<b>AGM</b>	Annual General Meeting
<b>AC</b>	Audit Committee
<b>ATR</b>	Action Taken Report
<b>BR</b>	Business Responsibility
<b>BRR</b>	Business Responsibility Report
<b>CAG</b>	Comptroller and Auditor General of India
<b>CEO</b>	Chief Executive Officer
<b>CFO</b>	Chief Financial Officer
<b>CRO</b>	Chief Risk Officer
<b>CSR</b>	Corporate Social Responsibility
<b>CSRC</b>	Corporate Social Responsibility Committee
<b>D&amp;O</b>	Directors and Officers
<b>ED</b>	Executive Director
<b>EGM</b>	Extraordinary General Meeting
<b>ESG</b>	Environmental, Social and Governance
<b>ESOP</b>	Employee Stock Option Plan
<b>FY</b>	Financial Year
<b>HR</b>	Human Resource
<b>IA</b>	Internal Audit
<b>ID</b>	Independent Director
<b>IRDAI</b>	Insurance Regulatory and Development Authority of India
<b>JV</b>	Joint Venture
<b>KMP</b>	Key Managerial Personnel
<b>LODR</b>	Listing Obligations and Disclosure Requirements
<b>M&amp;A</b>	Merger and Amalgamation
<b>MD</b>	Managing Director
<b>NA</b>	Not applicable
<b>NED</b>	Non-Executive Director
<b>NG</b>	Not given
<b>NID</b>	Non-Independent Director
<b>NRC</b>	Nomination and Remuneration Committee
<b>PLC</b>	Profit linked commission
<b>POSH</b>	Prevention of Sexual Harassment
<b>PSB</b>	Public Sector Bank
<b>PSU</b>	Public Sector Undertaking
<b>RBI</b>	Reserve Bank of India
<b>RMC</b>	Risk Management Committee
<b>RPT</b>	Related Party Transaction
<b>SEBI</b>	Securities and Exchange Board of India
<b>SMP</b>	Senior Managerial Personnel
<b>SRC</b>	Stakeholders Relationship Committee
<b>The Act</b>	The Companies Act, 2013
<b>TOR</b>	Terms of reference
<b>WTD</b>	Whole-time Director

## ABOUT THE SURVEY

There is no shortage of company-specific information available in the public domain for students and practitioners of Corporate Governance. Statements of companies would seem to indicate that they are doing the right things, and putting in place the right policies and processes. This has led to their highlighting some aspects of compliance. However, there is no single document which comprehensively examines the top companies by market cap, and analyses that group in regard to its performance and disclosures on several aspects of compliance. This report is an endeavour to capture, in one document, to the extent possible, and in sufficient detail, information on the performance of companies in the context of laws and regulations.

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. It is by now well understood that compliance with Regulations and law, is a non-negotiable requirement for listed entities.

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

This Survey, the **5th edition of Excellence Enablers' Survey on Corporate Governance**, gives a panoramic view of the extent to which companies have done what was expected of them in regard to several legal and regulatory prescriptions. There are some aspects to which a number of companies do not appear to have paid adequate attention. This is not a fault finding or a finger-pointing exercise. This Survey is intended to serve as a mirror to the underperforming entities, to help them see where they stand at present, in relation to what many others have attempted, and succeeded in doing.

Our earlier 4 Annual Surveys have been seen as useful by academic community and the corporate universe. It is our continuing expectation that the information contained in this Survey, will serve as useful reference material for companies and their various stakeholders, as well as for Regulators. Our hope is that some of them will identify, and work towards, what more needs to be done in their specific context, and what can be done better. The fact that there are newer heights to conquer, should serve to incentivise the well-intentioned.

# METHODOLOGY

The Survey is based on important Corporate Governance related information, that is available in public domain, about each listed company.

We have used the Annual reports, Stock Exchange and website disclosures of NIFTY 100 companies as a base to look at 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, and SEBI LODR Regulations, 2015, we have considered some generally accepted good practices in the area of Corporate Governance, which a number of companies have been following for some time. In some places, as has been mentioned under the relevant parameters, we have looked at website disclosures for each of the companies concerned.

We have not commented on any of 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 having regard to those that are being practised by many of the NIFTY 100 companies.

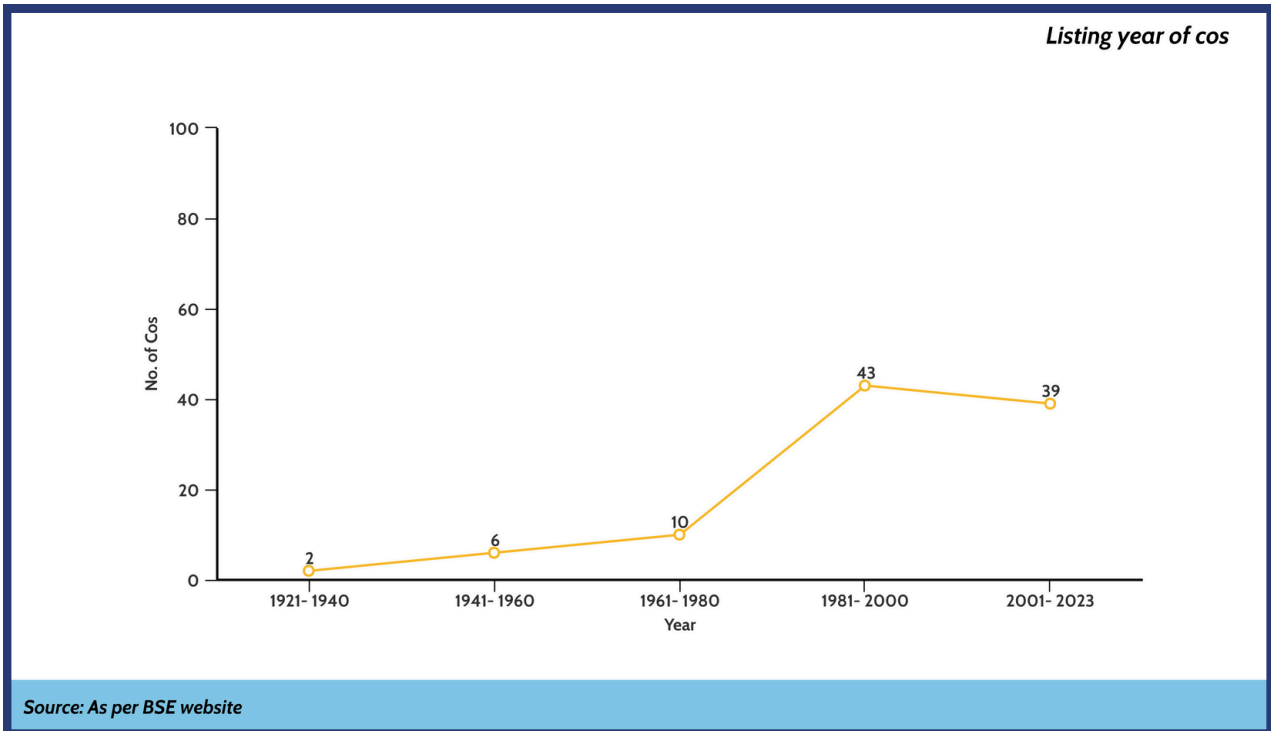
In this report, the parts mentioned in blue are the legal provisions relating to the relevant parameters. We have quoted only the sections/ sub-sections/ parts thereof which are relevant. We have also not made any changes to the language of any legal provision, and have chosen to live with drafting inelegance.

# DISCLAIMER

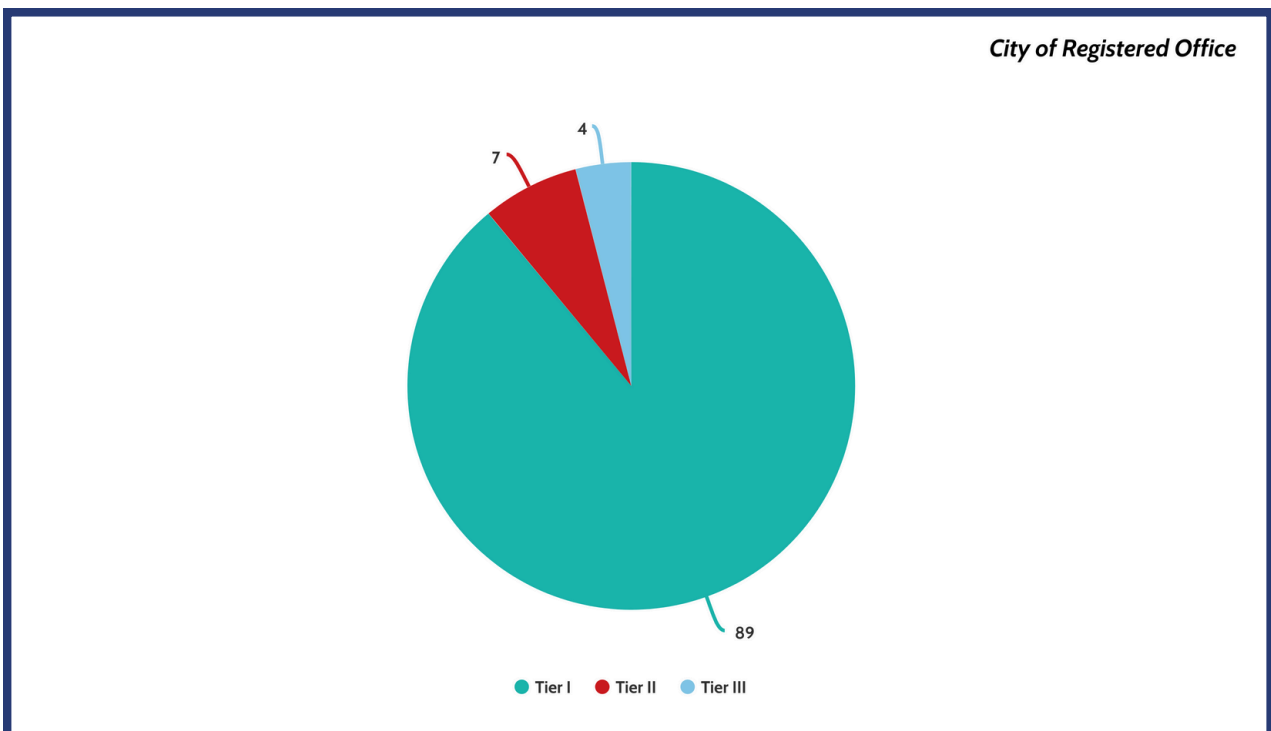
1. Source of all information in this Survey is the Annual Reports or Stock Exchange disclosures or the websites of the respective companies.
2. For each company, end of FY implies the end of FY of that company. All companies, except those mentioned here, have an April to March FY. ABB India Ltd follows calendar year as its FY. Siemens Ltd follows October to September as its FY.
3. Top 100 companies include
  - a. 15 PSUs - Bharat Electronics Ltd, Bharat Heavy Electricals Ltd, Bharat Petroleum Corporation Ltd, Coal India Ltd, GAIL (India) Ltd, Hindustan Aeronautics Ltd, Indian Oil Corporation Ltd, Indian Railway Finance Corporation Ltd, Life Insurance Corporation of India, NHPC Ltd, NTPC Ltd, Oil & Natural Gas Corporation Ltd, Power Finance Corporation Ltd, Power Grid Corporation Of India Ltd, and REC Ltd.
  - b. 12 Banks - Axis Bank, Bank of Baroda, Canara Bank, HDFC Bank, ICICI Bank, IDBI Bank, Indian Overseas Bank, IndusInd Bank, Kotak Mahindra Bank, Punjab National Bank, State Bank of India, and Union Bank of India.
  - c. 6 PSBs (SBI has not been considered as a PSB) – Bank of Baroda, Canara Bank, IDBI Bank, Indian Overseas Bank, Punjab National Bank, and Union Bank of India.
  - d. 3 Insurance companies - HDFC Life Insurance Co Ltd, ICICI Prudential Life Insurance Company Ltd, and SBI Life Insurance Company Ltd
4. While considering the number of Directors, the number of Directorship positions in top 100 companies has been taken into account. For a Director who is on the Boards of more than one top 100 company, he/she has been separately considered for each such Directorship held by him/her.
5. Following companies were not listed
  - a. As on 31 March 2021, 5 companies (Jio Financial Services Ltd, Life Insurance Corporation of India, Macrotech Developers Ltd, Mankind Pharma Ltd and Zomato Ltd).
  - b. As on 31 March 2022, 3 companies (Jio Financial Services Ltd, Life Insurance Corporation of India and Mankind Pharma Ltd).
  - c. As on 31 March 2023, 2 companies (Jio Financial Services Ltd and Mankind Pharma Ltd).



# YEAR OF LISTING



# CITY OF REGISTERED OFFICE

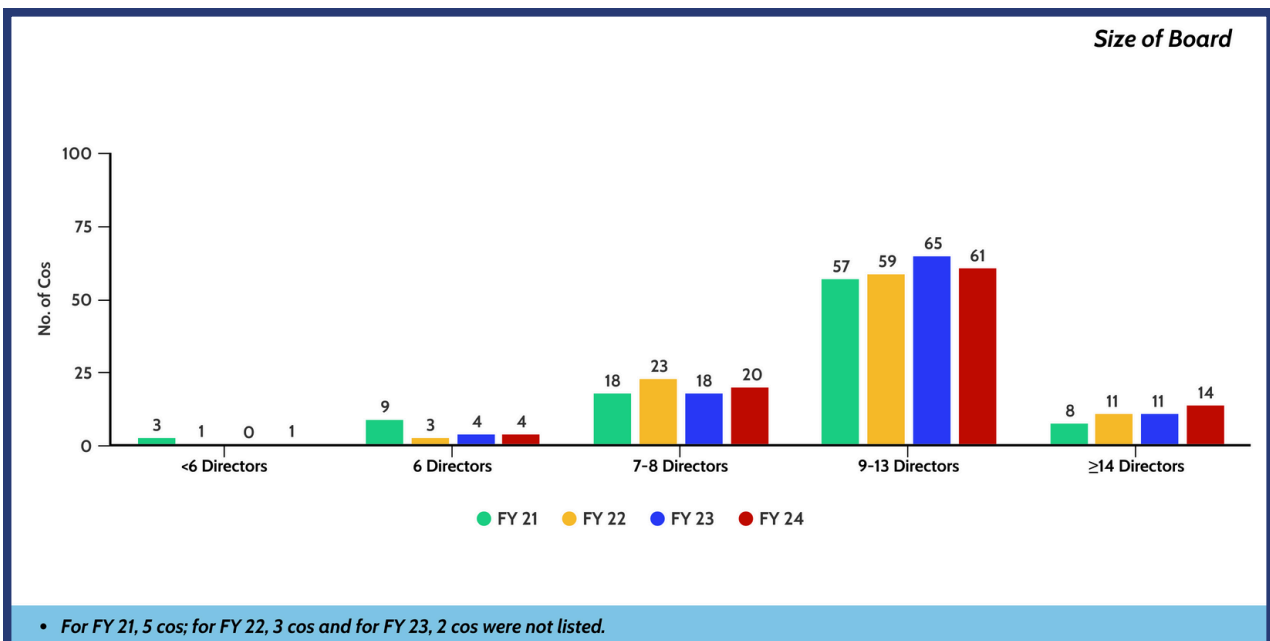


# BOARD COMPOSITION

## SIZE OF BOARD

- As per Section 149(1) of the Companies Act, 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.

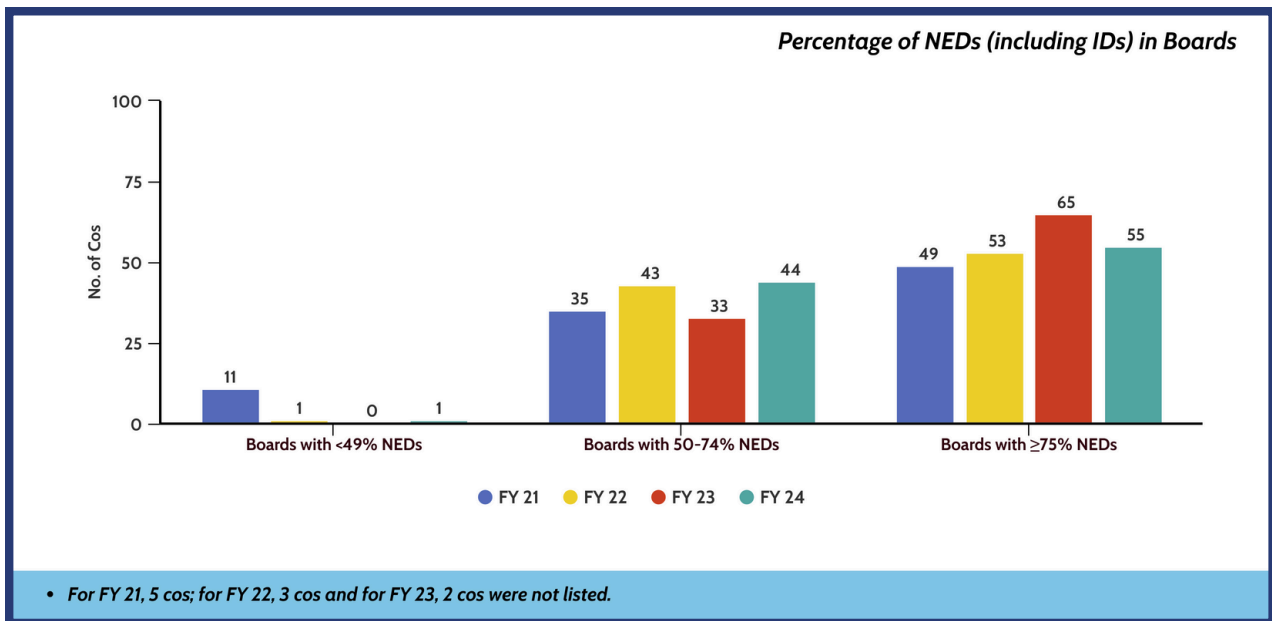
One of the factors that impacts on the performance of a Board is its size. With 5 mandatory Board committees, there ought to be enough Board members to ensure that committees are properly constituted, and do not have the same members on almost all committees, with resultant information asymmetry, adversely impacting those who are not on committees.



- In FY 21, minimum Board size was 5 in 3 companies (making them non-compliant), and maximum Board size was 19.
- In FY 22, minimum Board size was 5 (making it non-compliant), and maximum Board size was 17.
- In FY 23, minimum Board size was 6 in 4 companies, and maximum Board size was 18.
- In FY 24, minimum Board size was 5 (making it non-compliant), and maximum Board size was 20.
- In previous 4 FYs, the average size of Board
  - in FY21 was 9.86,
  - in FY22 was 10.41,
  - in FY23 was 10.48
  - in FY24 was 10.52.
- The same company continued to have the maximum Board size in the 4 FYs.

## 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 Regulation 17 (1C) of SEBI LODR Regulations, 2015, The listed entity shall ensure that approval of shareholders for appointment or re-appointment of a person on the Board of Directors or as a manager is taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier (wef January 17, 2023).



- The following number of companies were non-compliant, with less than prescribed minimum of 50% in the previous years
  - As on March 31, 2021, 11 companies, with the lowest being 16.67%.
  - As on March 31, 2022, 1 company.
  - As on March 31, 2024, 1 company.
- As on March 31, 2023, all companies had more than the prescribed minimum of 50%.

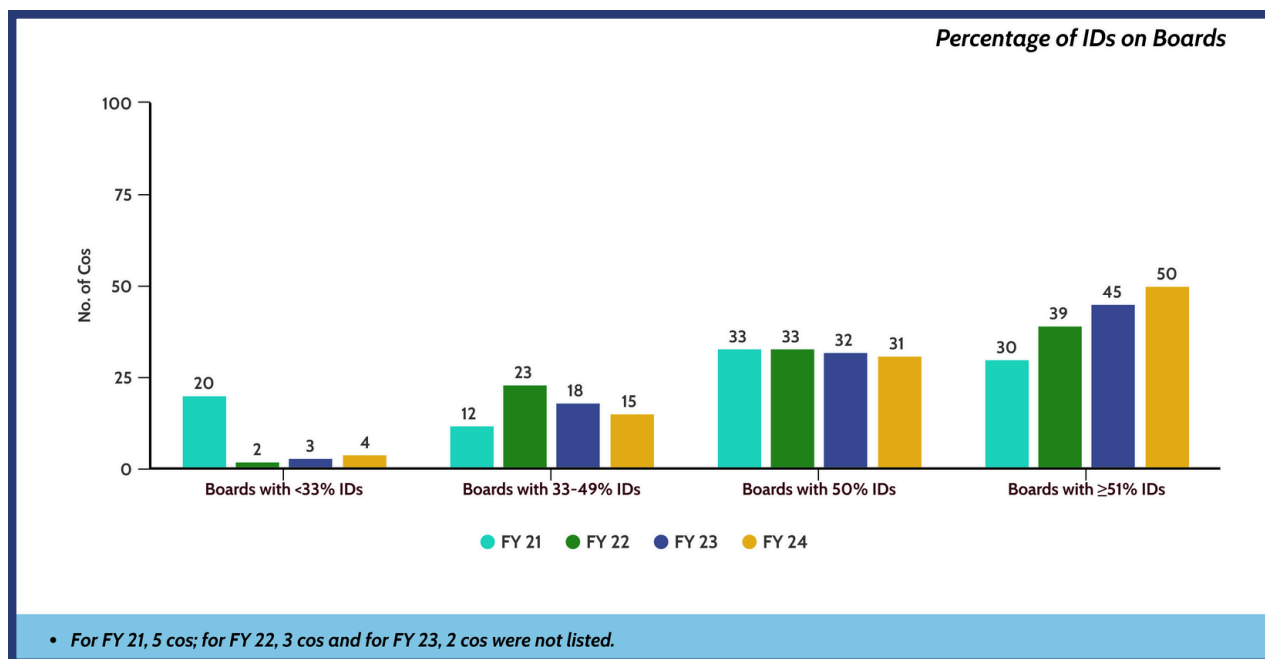
## PERCENTAGE OF IDs

- 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.

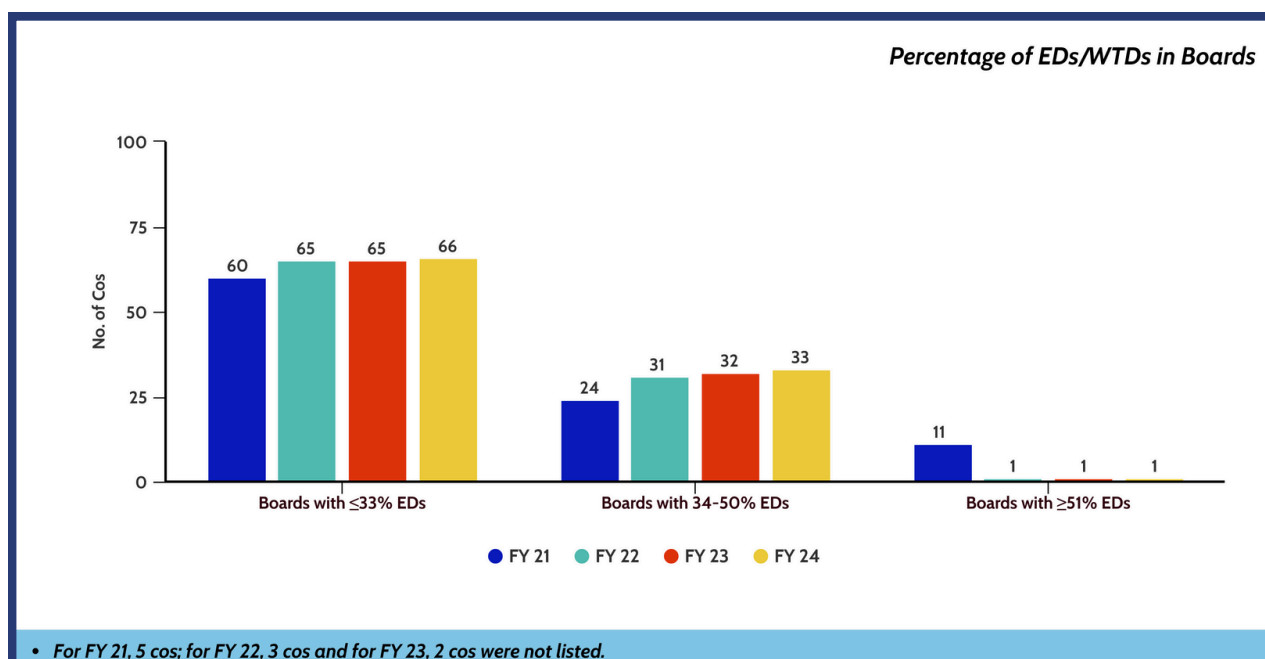


- The following number of companies were non-compliant, with less than prescribed minimum number of IDs
  - As on March 31, 2021, 21 companies (of which 14 were PSUs and 5 were PSBs). 3 PSUs had no IDs.
  - As on March 31, 2022, 14 companies (of which 7 were PSUs and 4 were PSBs).
  - As on March 31, 2023, 6 companies (of which 5 were PSUs).
  - As on March 31, 2024, 4 companies (of which 3 were PSUs and 1 was PSB).

## PERCENTAGE OF EDs/ WTDs

- 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 per cent. of the board of directors shall comprise of non-executive directors.

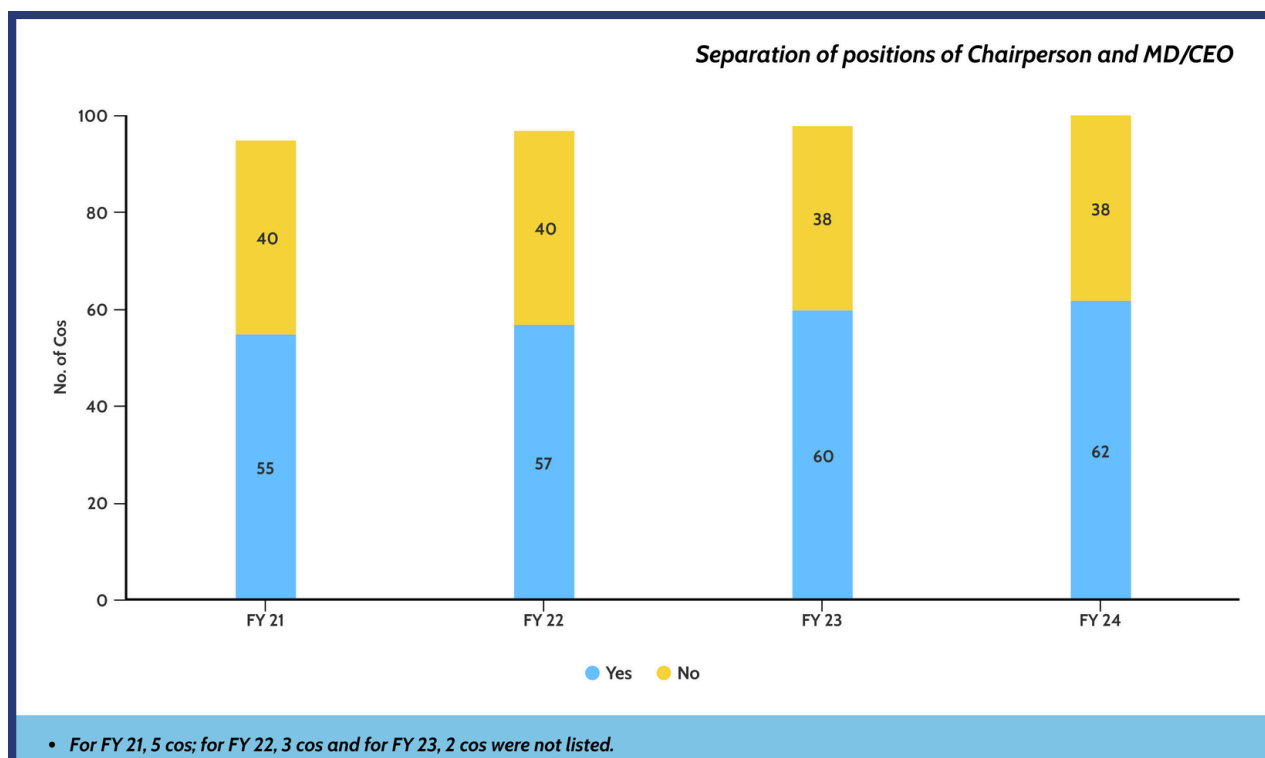
It has been noticed that every effective Board has an appropriate mix of EDs and NEDs. Without this optimum mix, the Board will not get the benefit of the insight of persons who have executive responsibilities and experience.



- In FY 21 and FY 22, 1 company had no WTD.
- Boards with only 1 WTD
  - in FY 21 and FY 22 were 22.
  - in FY 23 and FY 24 were 23.
  - In previous 4 FYs, 16 of these companies are common.

## SEPARATION OF POSTS OF CHAIR AND MD/CEO

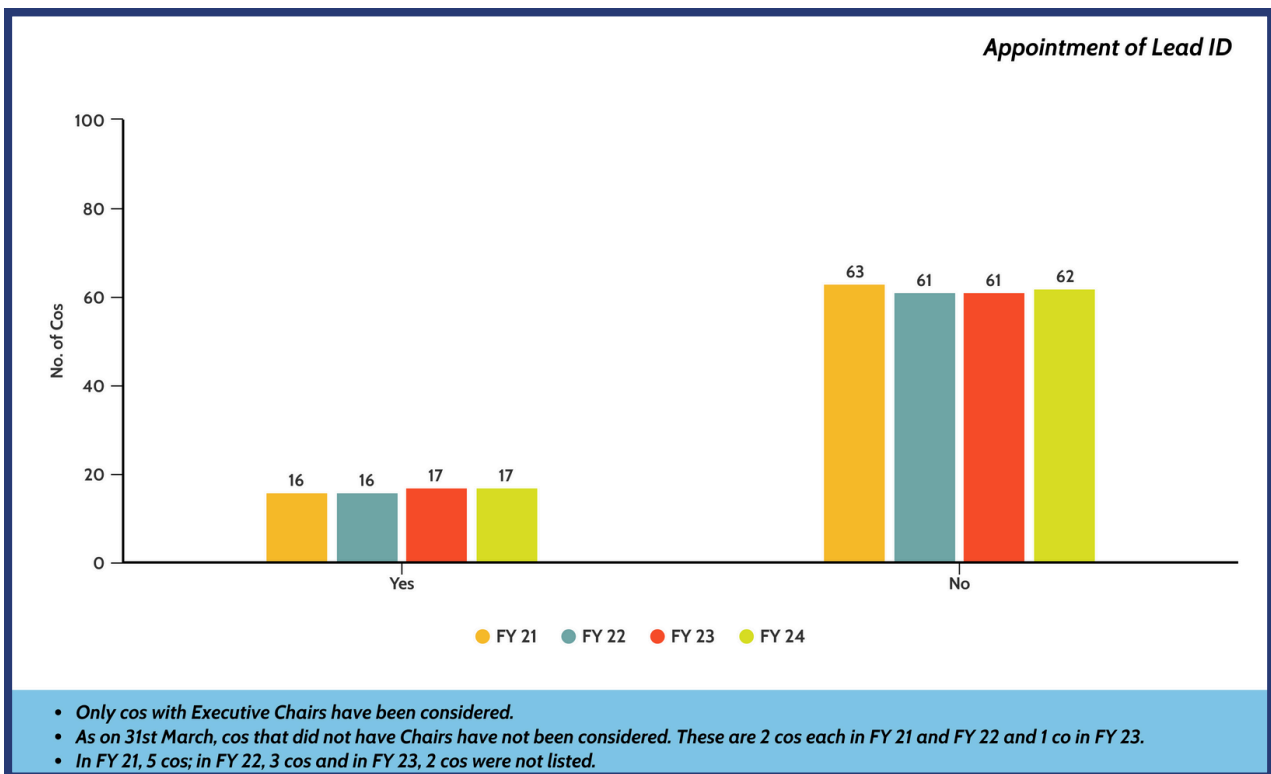
The Chairperson is the Chairperson of the Board, and the MD is the Chief Executive of the company. Combining these 2 roles in one person runs counter to the basic principle of Corporate Governance which is that the management, headed by the MD, shall be answerable to the Board headed by the Chairperson. If both the Chairperson and the MD have executive responsibilities, the requirement of Corporate Governance does not get adequately addressed. It is unfortunate that this separation has been made non-mandatory.



- In FY 21, FY 22, FY 23, and FY 24 respectively, 10, 8, 10 and 9, non- PSUs did not have separate Chairperson and MD.

## APPOINTMENT OF LEAD ID

Appointment of Lead ID should be made mandatory for Boards which have an Executive Chairperson.

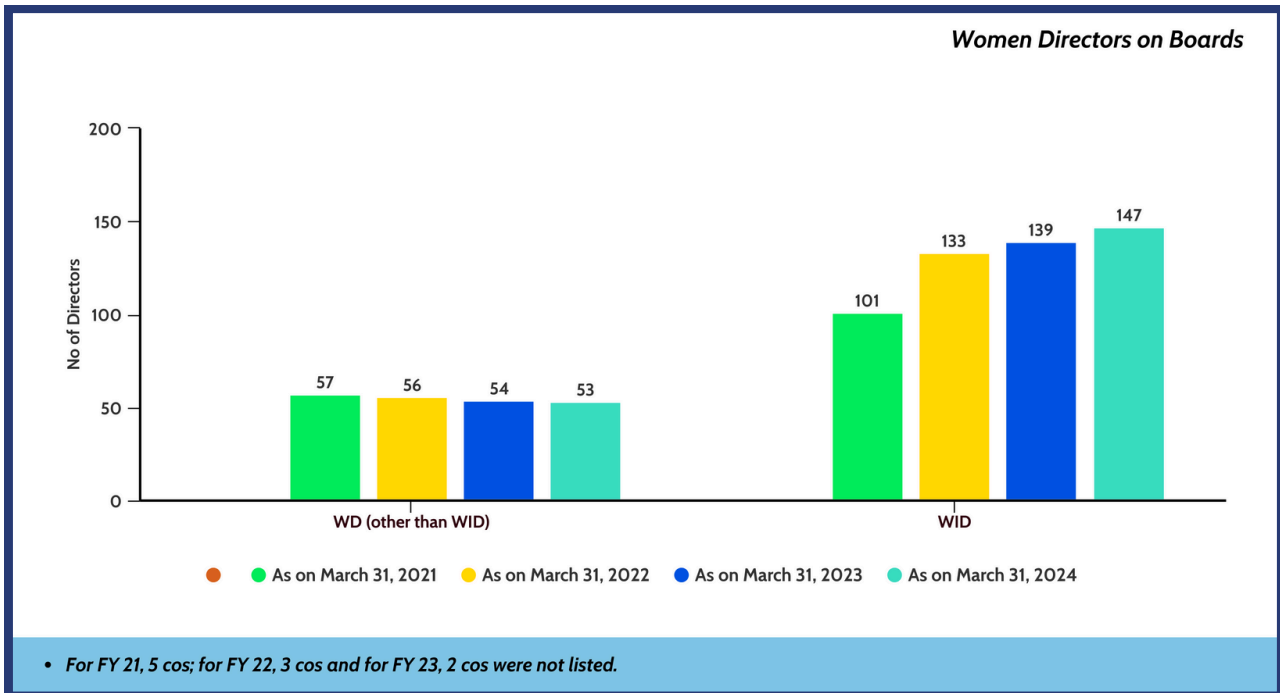


- In previous 4 FYs, 12 companies continued to have a Lead ID.

# 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 competent women are identified and 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.

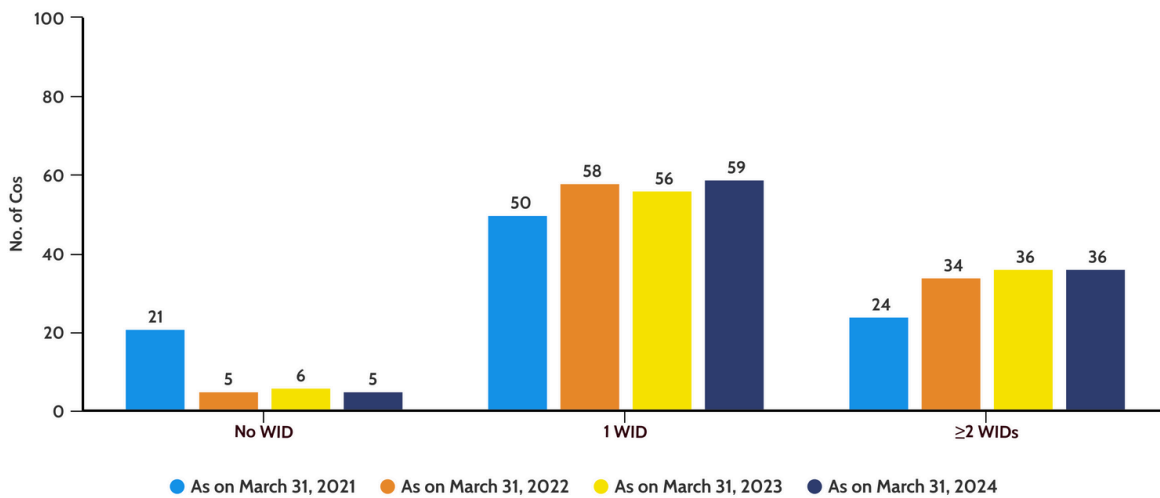


## PERCENTAGE OF WOMEN DIRECTORS

- As per Section 149(1) of the Companies Act, 2013 and Rule 3 of the Companies (Appointment and Qualifications of Directors) Rules, 2014, 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.

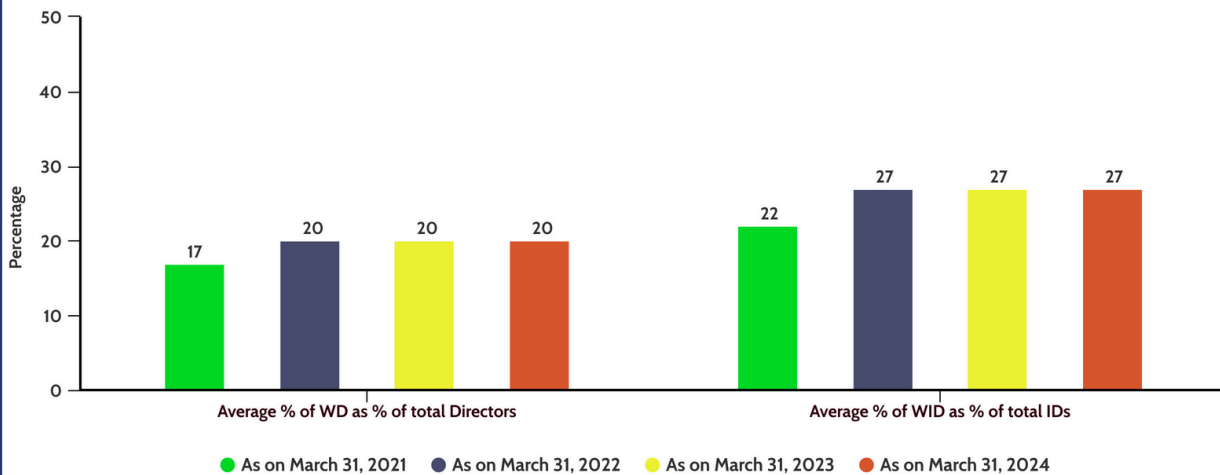


### Women IDs on Boards



• For FY 21, 5 cos; for FY 22, 3 cos and for FY 23, 2 cos were not listed.

### Percentage of Women Directors on Boards

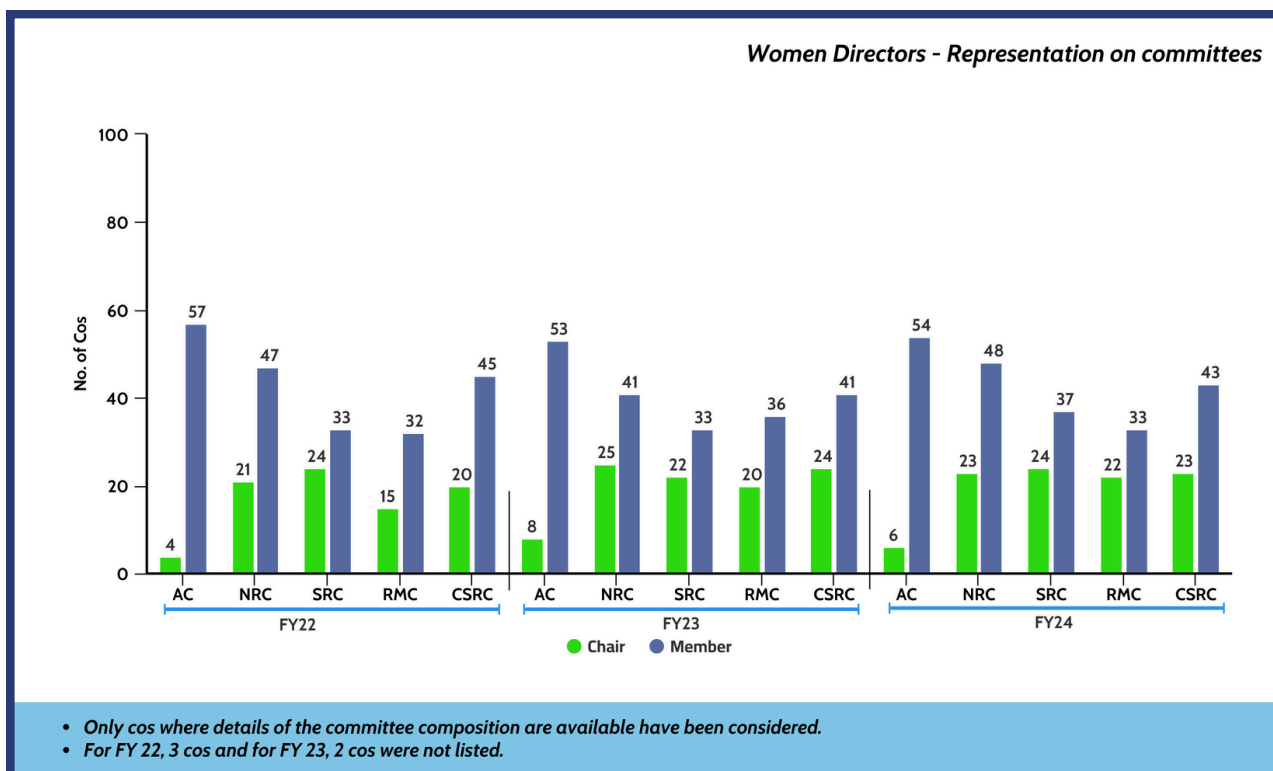


• For FY 21, 5 cos; for FY 22, 3 cos and for FY 23, 2 cos were not listed.

- Following companies did not have a woman ID on their Boards
  - As on March 31, 2021, 21 companies (including 12 PSUs and 3 PSBs).
  - As on March 31, 2022, 5 companies (including 1 PSU and 1 PSB).
  - As on March 31, 2023, 6 companies (including 3 PSUs and 1 PSB).
  - As on March 31, 2024, 5 companies (including 4 PSUs and 1 PSB).
- Following companies had women MDs
  - As on March 31, 2021 and as on March 31, 2022, 2 companies each, of which 1 company was common.
  - As on March 31, 2023 and as on March 31, 2024, 5 companies, of which 3 companies are common.

- Following companies had women Chairs
  - As on March 31, 2021, 2 companies.
  - As on March 31, 2022, 5 companies.
  - As on March 31, 2023, 4 companies.
  - As on March 31, 2024, 5 companies.
  - 2 companies are common across the 4 years.

## WOMEN DIRECTORS - REPRESENTATION ON COMMITTEES



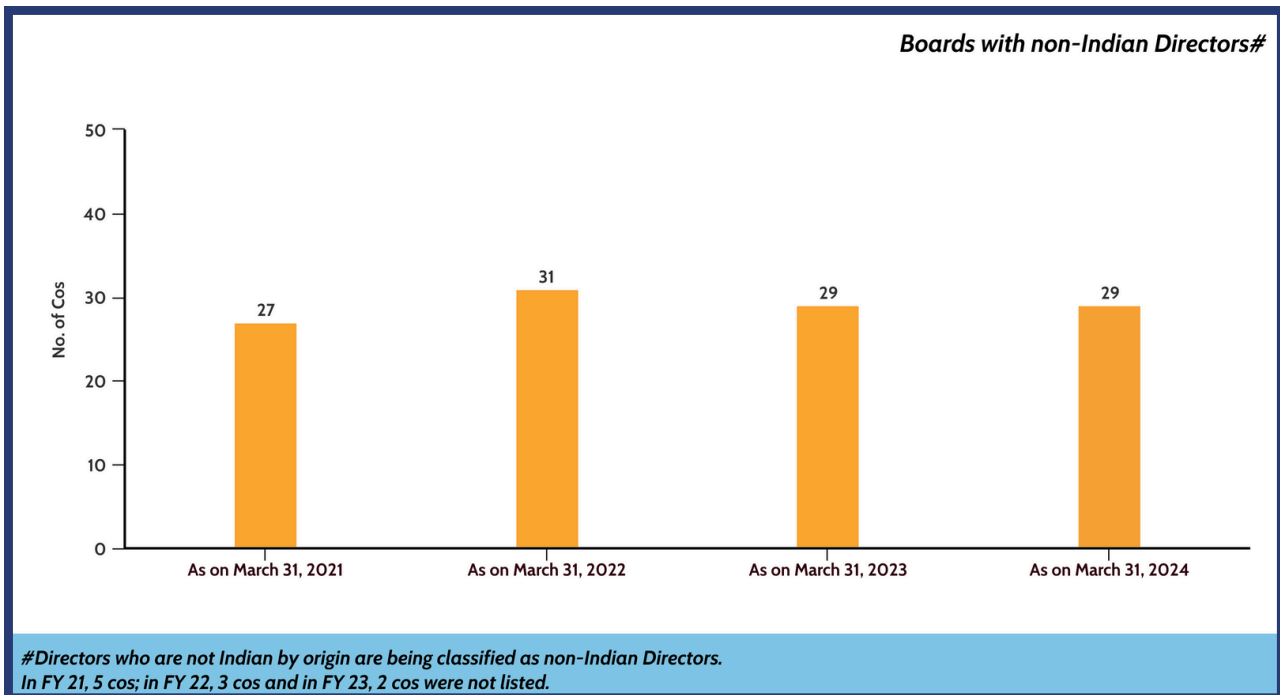
- Following committees continued to have women Chairs in all 3 FYs
  - AC - 4 companies
  - NRC – 13 companies
  - SRC – 15 companies
  - RMC – 10 companies
  - CSRC – 15 companies

## WOMEN IN KMP POSITIONS

- In all 4 FYs, 15 companies had one or more women as a KMP.

## GEOGRAPHICAL DIVERSITY

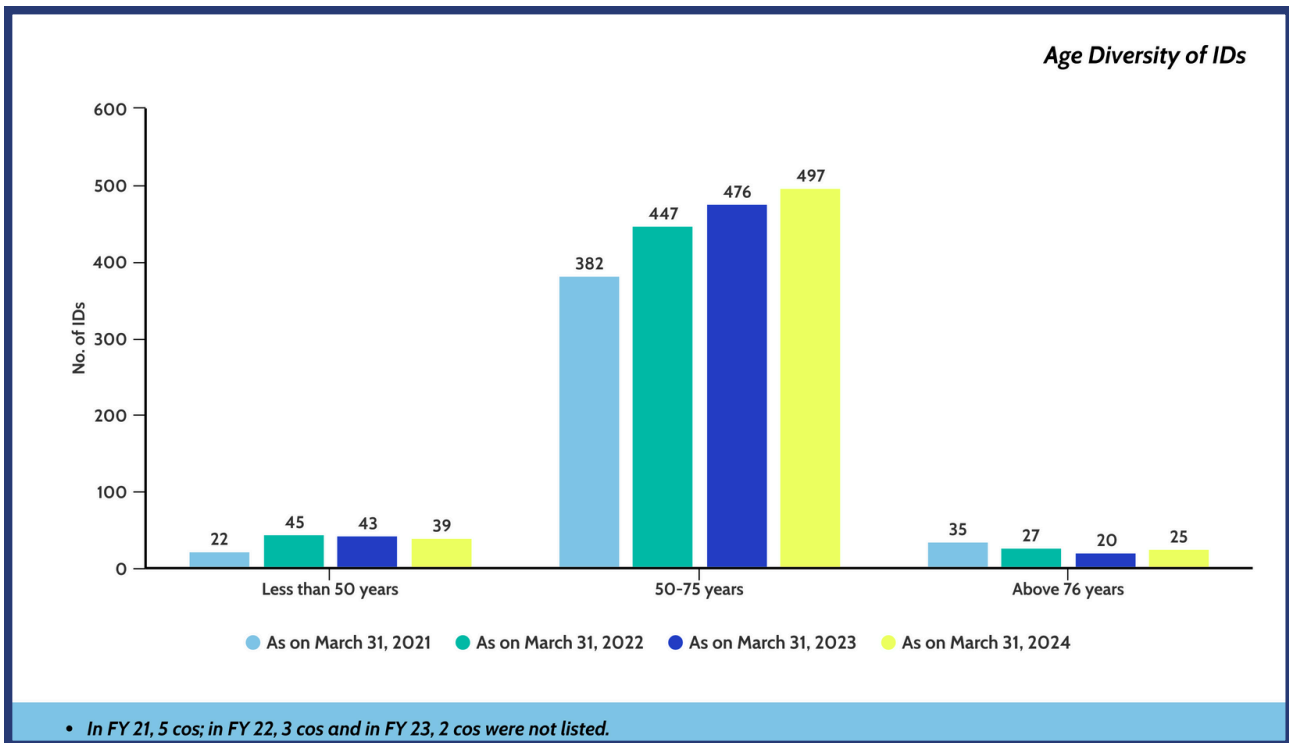
Diversity should include geographical diversity. With companies increasingly having a global presence, geographical diversity of the origin of Directors, has assumed importance.



- In the previous 4 FYs, 20 companies are common.

## AGE DIVERSITY

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 and make the Boards future ready.



- As on March 31, 2021, of the 439 IDs, 32 were less than 50 years. The youngest ID was 35 years, and the oldest was 93 years.
- As on March 31, 2022, of the 519 IDs, 25 were less than 50 years. The youngest IDs were 36 years each in 2 companies, and the oldest ID was 89 years.
- As on March 31, 2023, of the 539 IDs, 12 were less than 50 years. The youngest ID was 36 years, and the oldest ID was 88 years.
- As on March 31, 2024, of the 561 IDs, 19 were less than 50 years. The youngest ID was 37 years, and the oldest ID was 89 years.

## AVERAGE AGE OF IDs

- As on March 31, 2021, the average age of 439 IDs was 64.60 years.
- As on March 31, 2022, the average age of 519 IDs was 63 years.
- As on March 31, 2023, the average age of 539 IDs was 63.20 years.
- As on March 31, 2024, the average age of 561 IDs was 63.61 years.

## AVERAGE AGE OF CHAIR

- As on March 31, 2021, the average age of Chairs of 94 companies was 62.22 years.
- As on March 31, 2022, the average age of Chairs of 96 companies was 63.04 years.
- As on March 31, 2023, the average age of Chairs of 96 companies was 62.81 years.
- As on March 31, 2024, the average age of Chairs of 100 companies was 63.68 years.

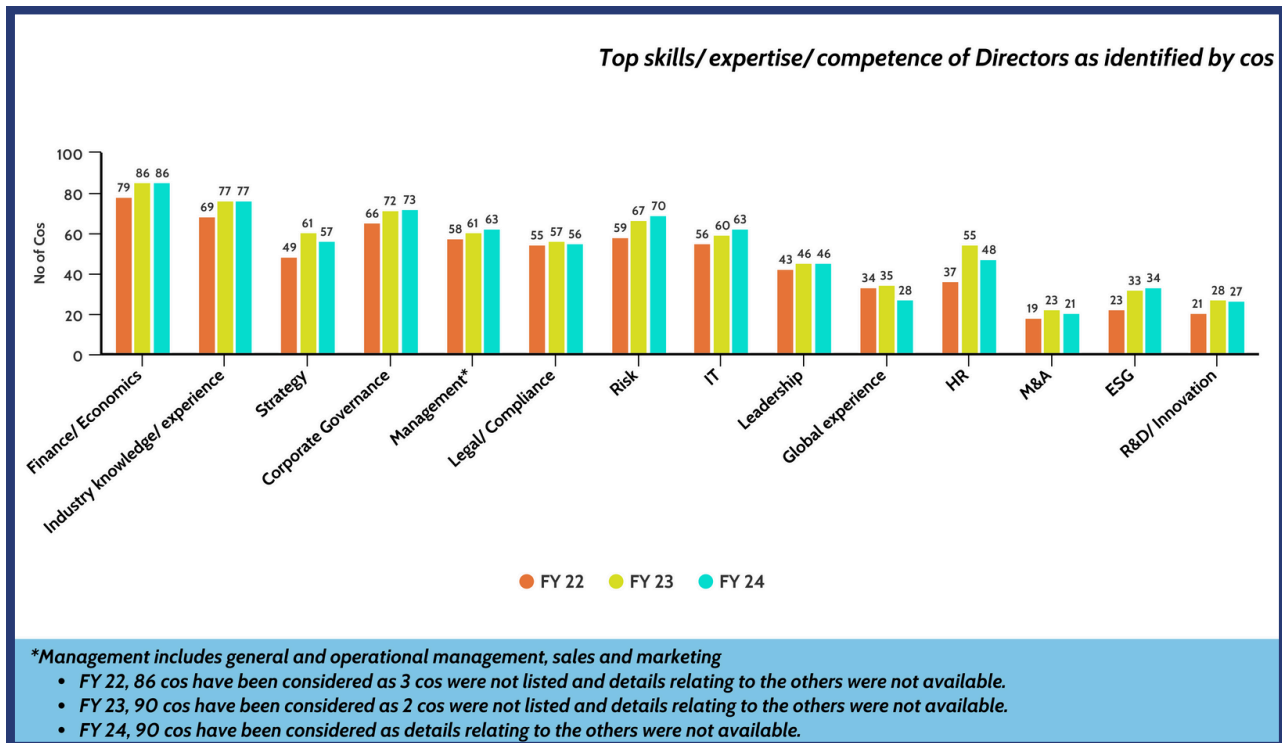
## AVERAGE AGE OF NEWLY APPOINTED DIRECTORS

- Average age of Directors appointed in FY 24 was 59.63 years.
- Average age of IDs appointed in FY 24 was 63.41 years.

## EXPERTISE/SKILL DIVERSITY

- 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 reflect the diversity that could enhance its performance. Missing skillsets, experience and expertise will detract from the effectiveness of the Board.



Interestingly,

- In FY 21, FY 22, FY 23 and FY 24, 6, 9, 8 and 9 companies identified “diversity” as skill sets.
- In FY 21, FY 22, FY 23 and FY 24, 12, 6, 22 and 8 companies identified “soft skills” as skill sets.

# 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 statutory 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.

- From the date of first appointment, the average tenure of
  - 937 Directors, as on March 31, 2021, was 7.06 years, with the longest tenure being of 52.61 years.
  - 1011 Directors, as on March 31, 2022, was 6.01 years, with the longest tenure being of 53.61 years.
  - 1053 Directors, as on March 31, 2023, was 5.98 years, with the longest tenure being of 54.61 years.
  - 1051 Directors, as on March 31, 2024, was 6.16 years, with the longest tenure being of 55.61 years

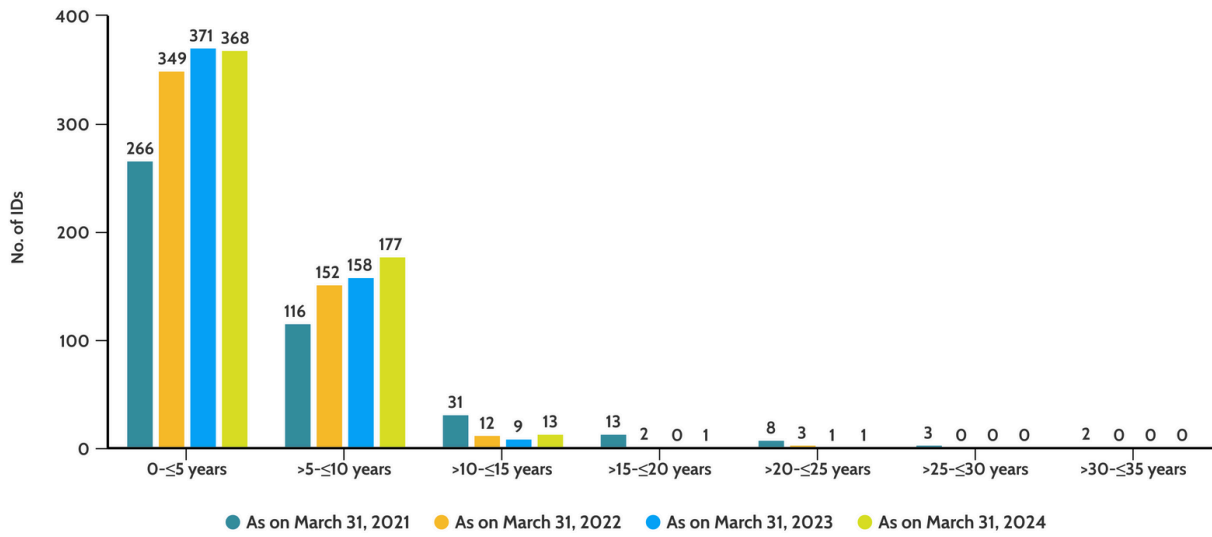
## TENURE OF CHAIRS

- Average tenure of Chairs from the date of first appointment
  - As on March 31, 2021, is 14.02 years, with the longest tenure being of 51.03 years.
  - As on March 31, 2022, is 13.17 years, with the longest tenure being of 49.73 years.
  - As on March 31, 2023, is 12.62 years, with the longest tenure being of 50.73 years.
  - As on March 31, 2024, is 13.19 years, with the longest tenure being of 51.73 years.

## 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.  
Explanation.—For the purposes of sub-sections (10) and (11), any tenure of an independent director on the date of commencement of this Act shall not be counted as a term under those sub-sections.*
- *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.*

*Tenure of IDs from date of first appointment*

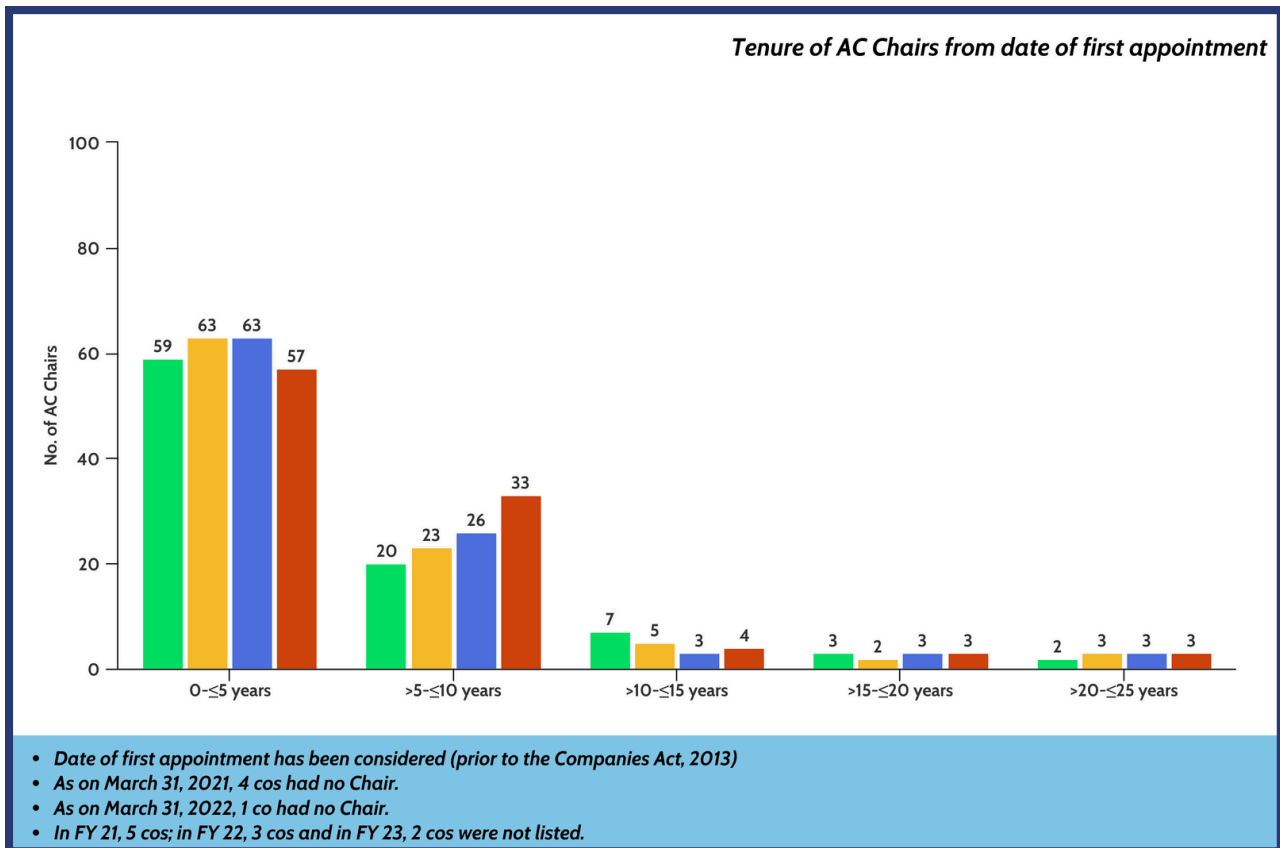


- Tenure includes periods prior to the coming into effect of the Companies Act, 2013.
- As on March 31, 2021, there were 439 ID positions.
- As on March 31, 2022, there were 518 ID positions.
- As on March 31, 2023, there were 539 ID positions.
- As on March 31, 2024, there were 560 ID positions.
- In FY 21, 5 cos; in FY 22, 3 cos and in FY 23, 2 cos were not listed.

- As on March 31, 2021, there were 2 IDs with the highest tenure of 34.04 years each.
- As on March 31, 2022, there was 1 ID with the highest tenure of 25.84 years.
- As on March 31, 2023, there was 1 ID with the highest tenure of 22.07 years.
- As on March 31, 2024, there was 1 ID with the highest tenure of 23.07 years.

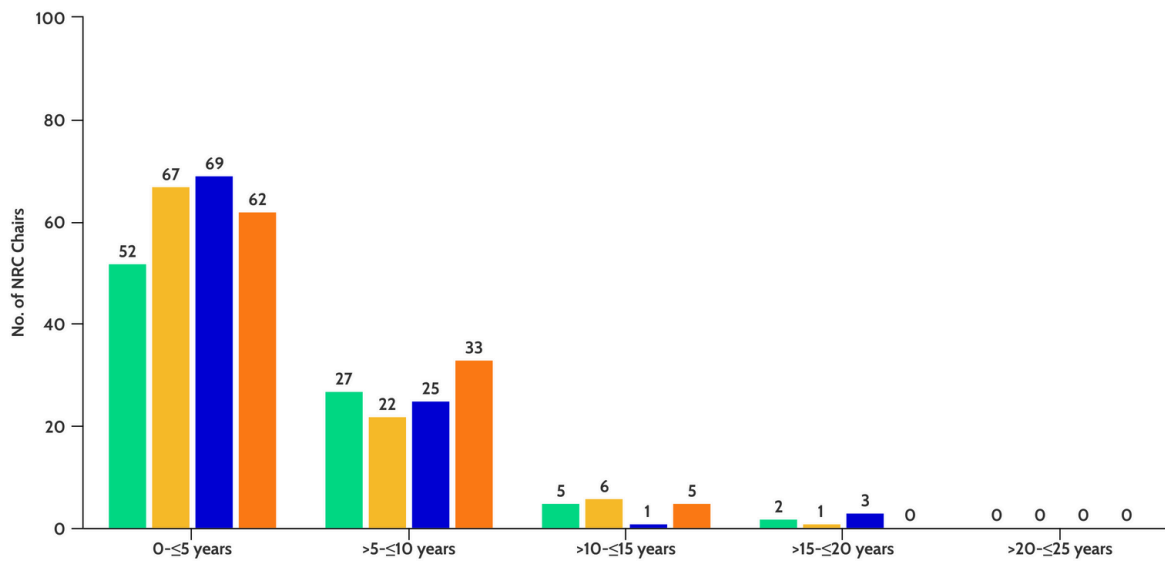
## TENURE OF CHAIRS OF COMMITTEES

The Chair of every committee is expected to leave his/her impression on, and significantly influence 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.



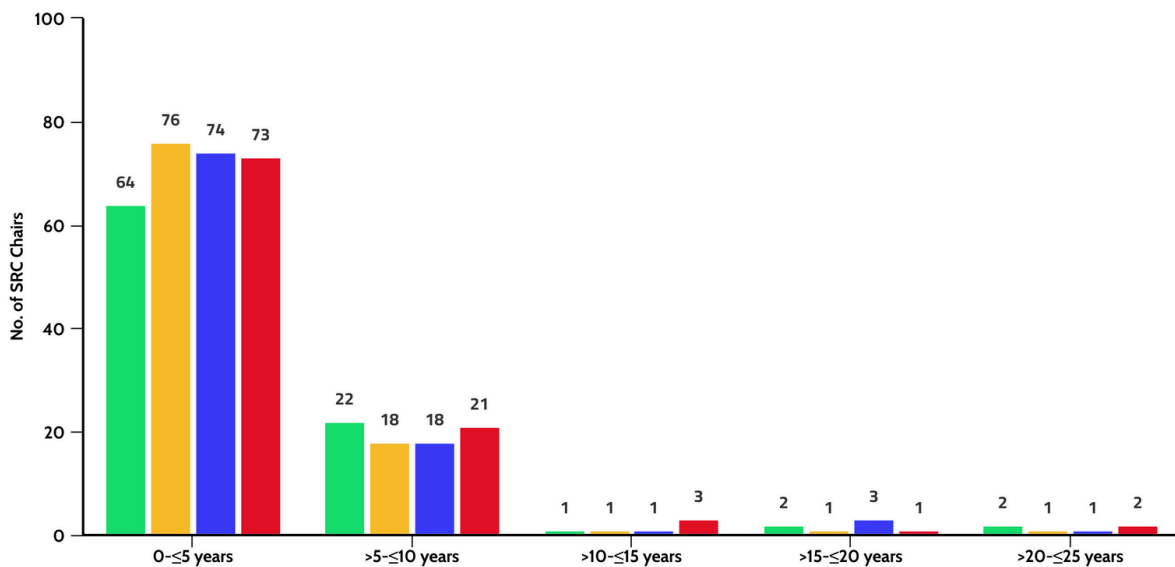


Tenure of NRC Chairs from date of first appointment



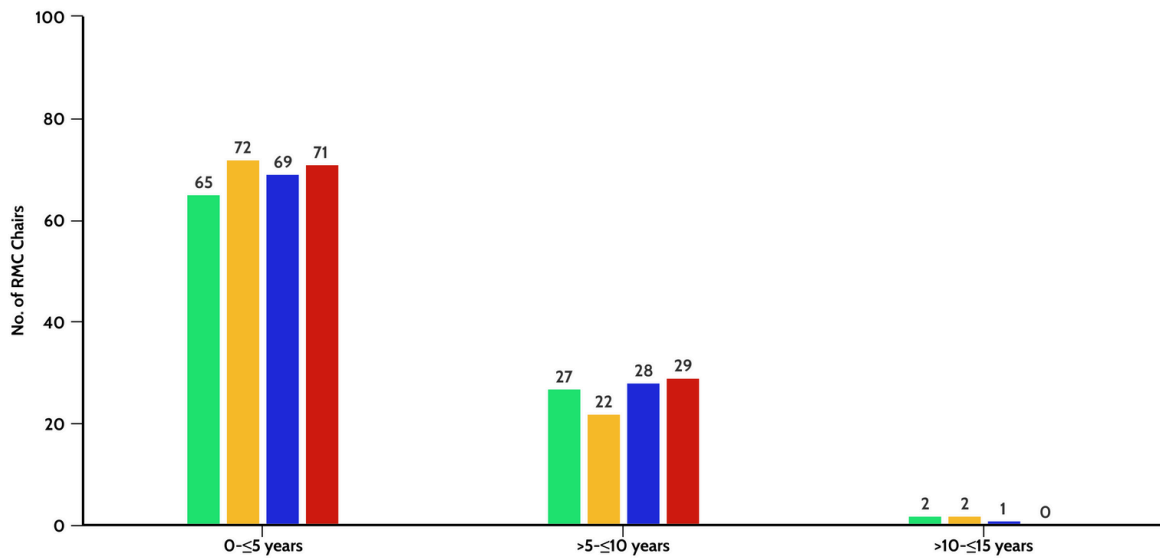
- Date of first appointment has been considered (prior to the Companies Act, 2013)
- As on March 31, 2021, 9 cos had no Chair.
- As on March 31, 2022, 1 co had no Chair.
- In FY 21, 5 cos; in FY 22, 3 cos and in FY 23, 2 cos were not listed.

Tenure of SRC Chairs from date of first appointment



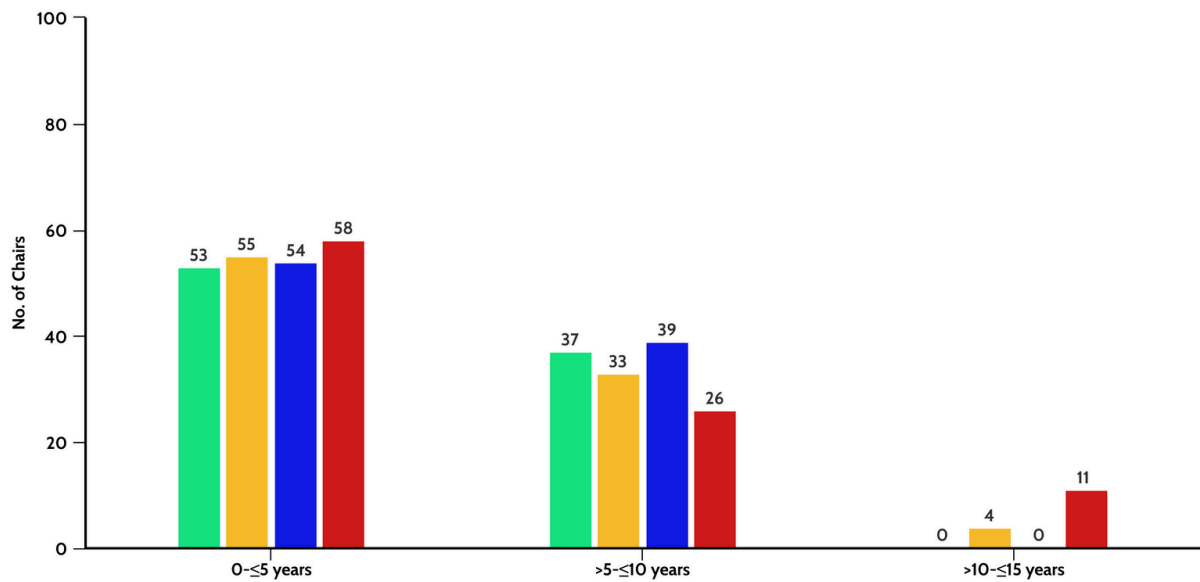
- Date of first appointment has been considered (prior to the Companies Act,2013)
- As on March 31, 2021, 4 cos had no Chair.
- As on March 31, 2023, 1 co had no Chair.
- In FY 21, 5 cos; in FY 22, 3 cos and in FY 23, 2 cos were not listed.

**Tenure of RMC Chairs from date of first appointment**



- Date of first appointment has been considered (prior to SEBI LODR Regulations, 2015).
- As on March 31, 2021 and March 31, 2022, 1 co each had no Chair.
- In FY 21, 5 cos; in FY 22, 3 cos and in FY 23, 2 cos were not listed.

**Tenure of CSRC Chairs from date of first appointment**



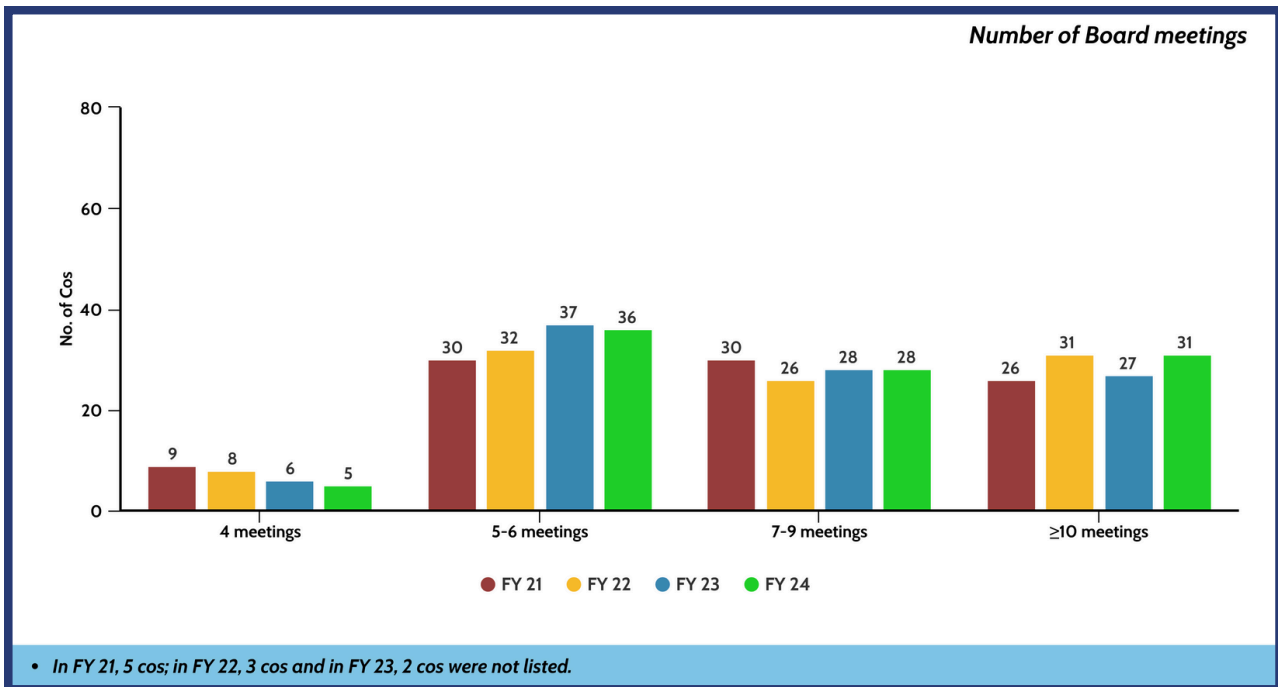
- As on March 31, 2021 and on March 31, 2022, 2 cos each did not give details, 1 co each had no Chair, 1 co each did not have fixed Chair and provisions of CSR were not applicable to 1 co each.
- As on March 31, 2023 and March 31, 2024, 1 co each did not have fixed Chair and provisions of CSR were not applicable on 4 cos each.
- In FY 21, 5 cos; in FY 22, 3 cos and in FY 23, 2 cos were not listed.

- As on March 31, 2024,
  - The longest tenure of an AC Chair is 23.20 years. The appointment was on January, 2001.
  - The longest tenure of an NRC Chair is 12.88 years. The appointment was on May, 2011.
  - The longest tenure an SRC Chair is 23.82 years. The appointment was on May, 2000.
  - The longest tenure of an RMC Chair is 9.9 years. The appointment was on May, 2014.
  - The longest tenure of a CSRC Chair is 10.95 years. The appointment was on April, 2013.

# 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.

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.



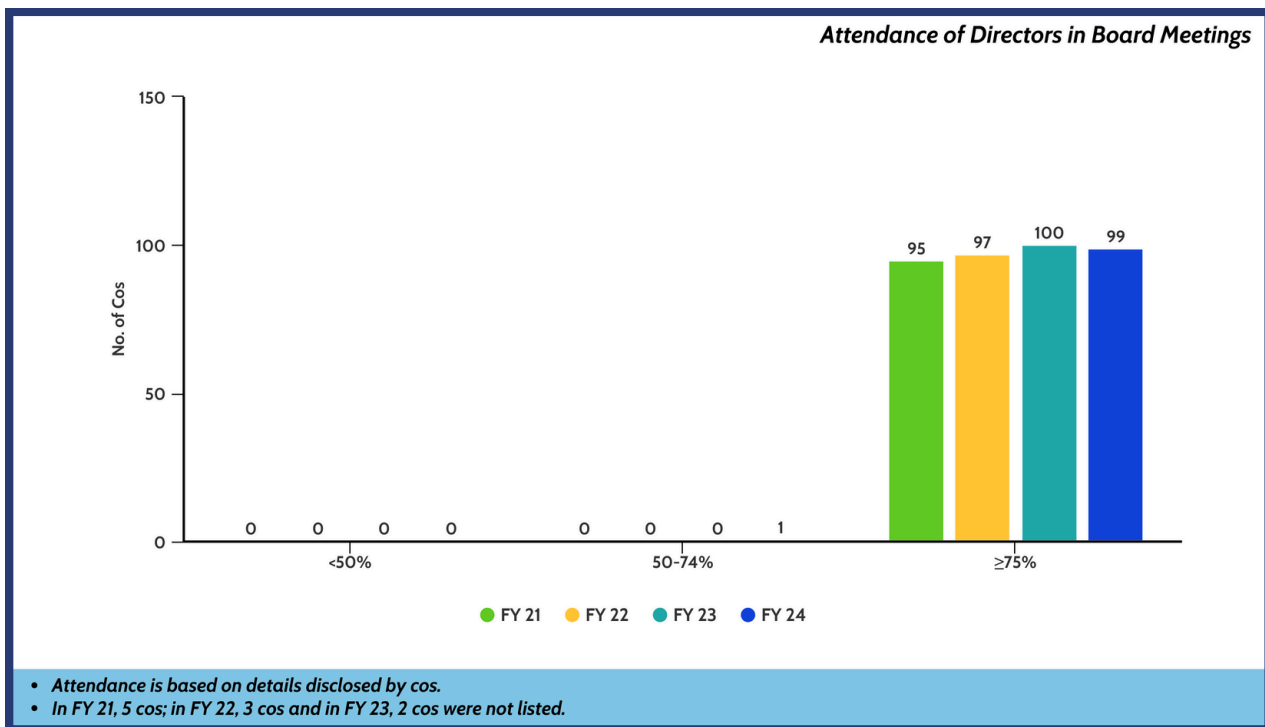
- Happily, in the case of Board meetings, most companies have exceeded the minimum of 4 meetings. More Board meetings should ordinarily add value, especially with the meetings, that do not focus on quarterly financial results, being able to devote quality time to other important items, such as strategy, succession planning and the like. However, if meetings are held far too often, they become routine engagements, with diminishing utility kicking in.
- Highest number of Board meetings conducted were
  - in FY 21, 19 in 2 companies,
  - in FY 22, 26,
  - in FY 23, 23,
  - in FY 24, 23.
- It might be worthwhile for such Boards to examine the productivity of, and the requirement for, such meetings.

# 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.

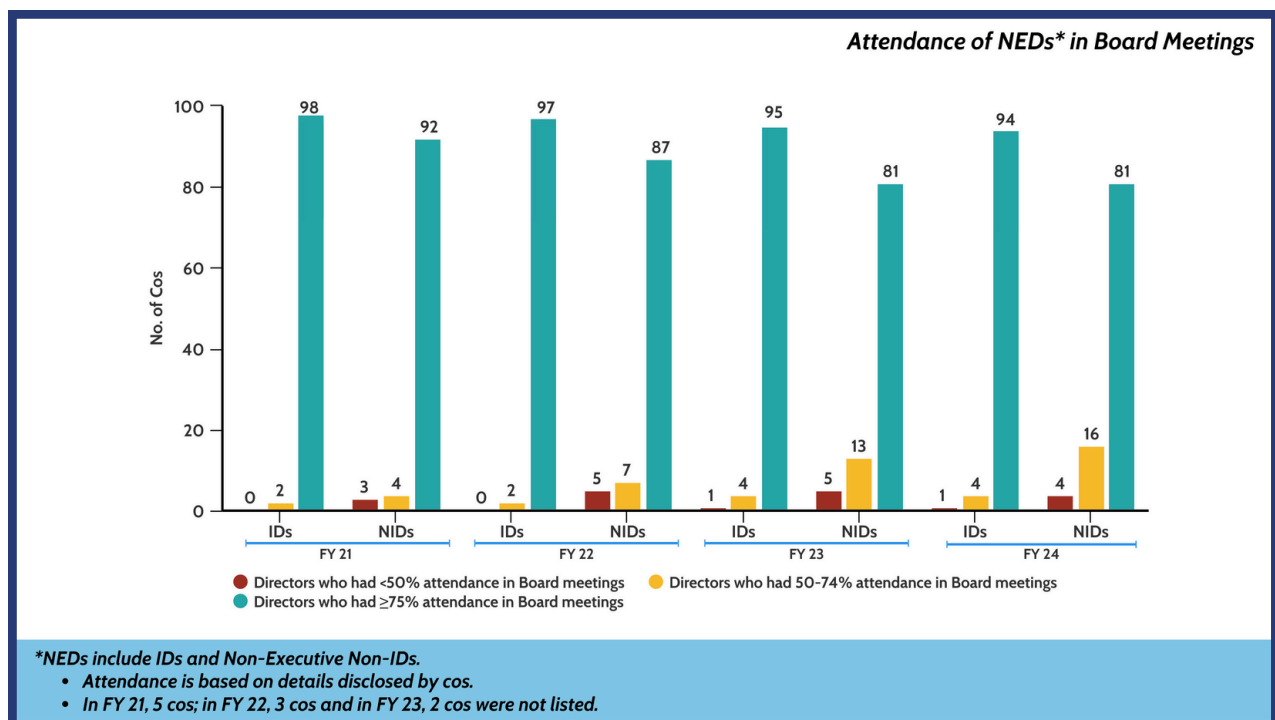
It is a legitimate expectation that every Director, executive or non-executive, attends every meeting of the Board of Directors. Absence from Board meetings has to be for extraordinary reasons, and not for reasons that could have been anticipated. The legal provision that each Director has to attend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

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 21, 86.56% of Board members had 100% attendance, and 3 Directors had zero attendance.
- In FY 22, 80.21% of Board members had 100% attendance, and 6 Directors had zero attendance.
- In FY 23, 74.85% of Board members had 100% attendance, and 4 Directors had zero attendance.
- In FY 24, 74.73% of Board members had 100% attendance, and 2 Directors had zero attendance.
- Virtual meetings have led to higher attendance.

## ATTENDANCE OF NEDs (INCLUDING IDs) IN BOARD MEETINGS



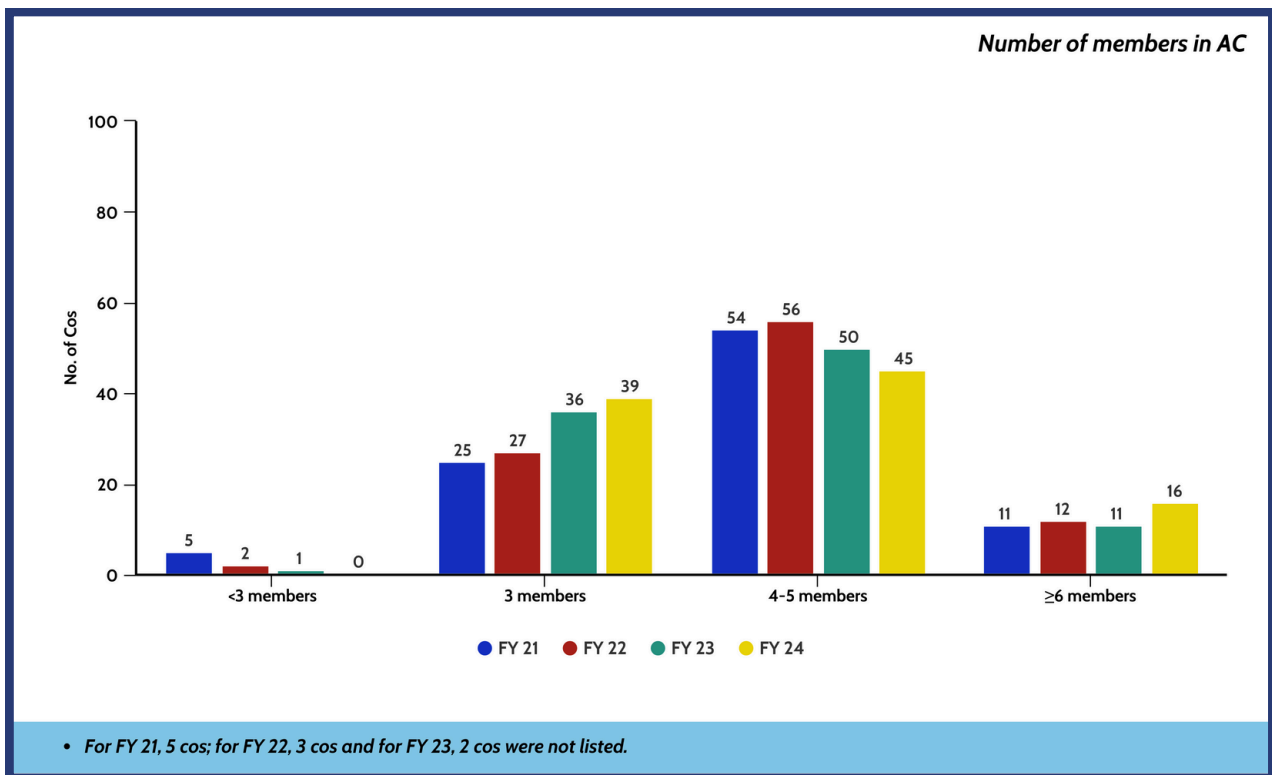
- In FY 21,
  - 89% of IDs and 76% of NIDs had 100% attendance.
  - 1 ID and 2 NIDs had 0 attendance.
- In FY 22,
  - 83% of IDs and 68% of NIDs had 100% attendance.
  - 5 NIDs had 0 attendance.
- In FY 23,
  - 76% of IDs and 62% of NIDs had 100% attendance.
  - 1 ID and 2 NIDs had 0 attendance.
- In FY 24,
  - 78% of IDs and 58% of NIDs had 100% attendance.
  - 2 NIDs had 0 attendance.

# COMMITTEES

## AUDIT COMMITTEE

### COMPOSITION OF AC

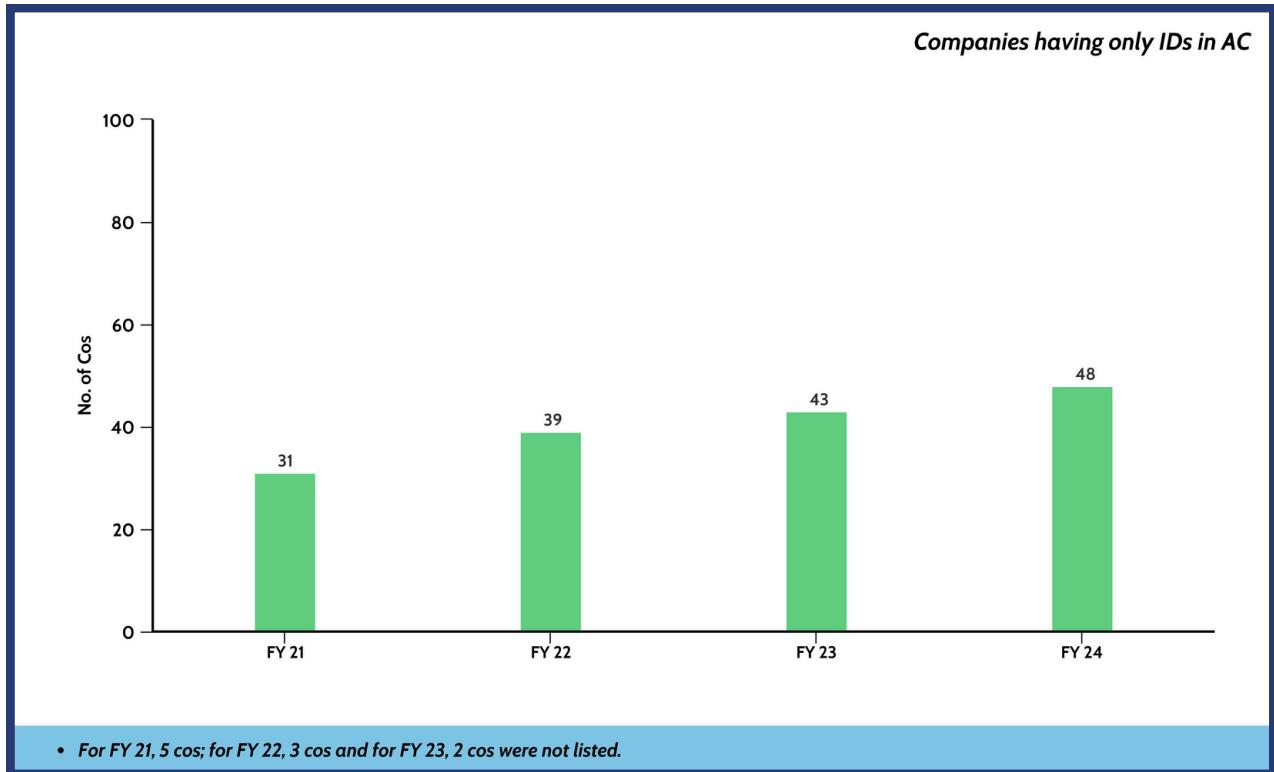
- As per Section 177(2) of the Companies Act, 2013, the audit committee shall consist of a minimum of three directors.
- As per Regulation 18(1) of SEBI LODR Regulations, 2015,
  - (a) The audit committee shall have minimum three directors as members.
  - (b) At least two-thirds of the members of audit committee shall be independent directors.
  - (c) All members of audit committee shall be financially literate and at least one member shall have accounting or related financial management expertise.
  - (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.



- Highest number of members
  - In FY 21, was 8 in 3 companies,
  - In FY 22, was 8 in 1 company,
  - In FY 23, was 7 in 3 companies,
  - In FY 24, was 8 in 1 company.

## AC WITH ONLY IDs

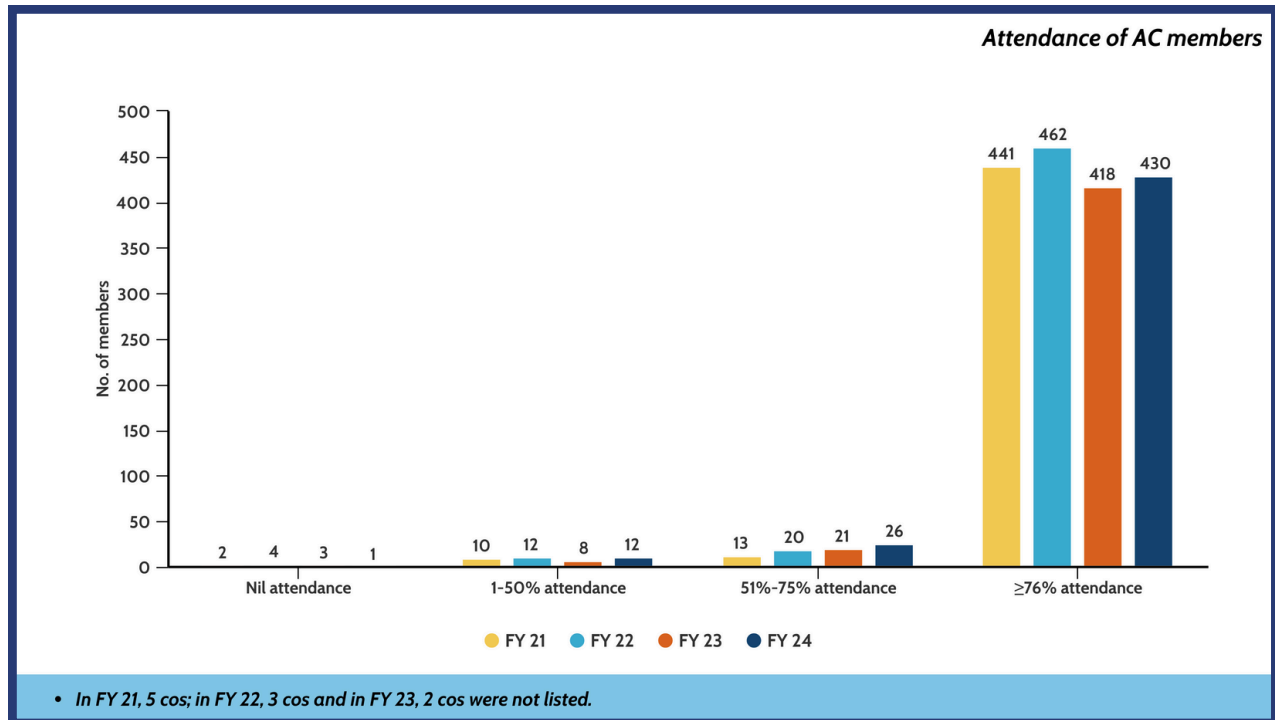
Given that the role of the AC is to judge the legality and propriety of management actions, it would be best if the AC is comprised only of IDs, with management representatives as invitees. While such a stipulation is not on the anvil, companies that recognise the significance of having ACs with only 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.



- In previous 4 FYs, of the companies which had only IDs as members of AC, 23 were 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 most of the meetings during the year, should be taken out of the committee.



- In FY 21, 89% of members had 100% attendance.
- In FY 22, 84% of members had 100% attendance.
- In FY 23, 81% of members had 100% attendance.
- In FY 24, 81% of members had 100% attendance.

## COMMON CHAIR OF BOARD AND AC

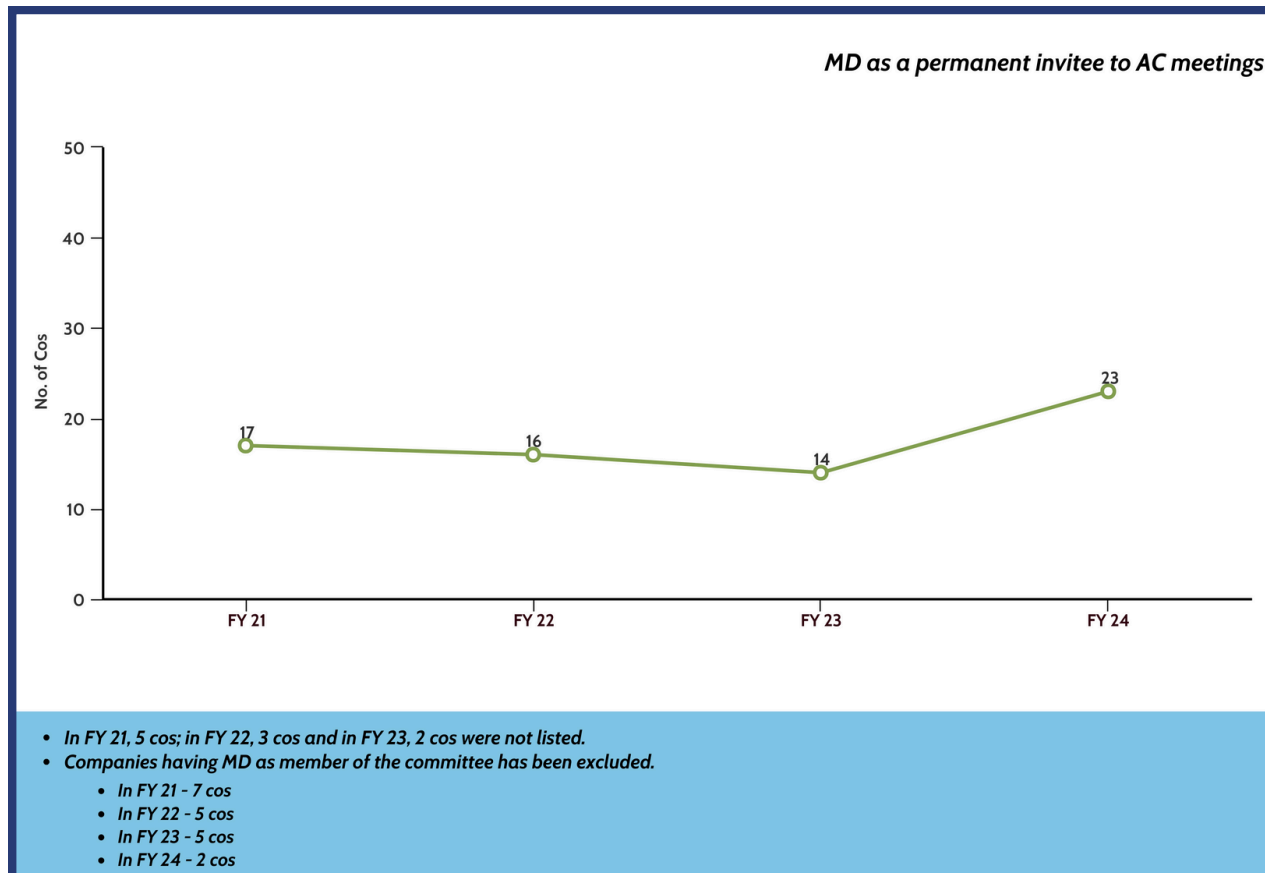
While there is no statutory restriction that the Chair of the Board should not Chair the AC, it is an excellent practice to have 2 different persons manning these 2 positions, as that would ensure the objective functioning of the AC.

- In all 4 FYs, 2 companies are common.



## MD AS A PERMANENT INVITEE TO AC

SEBI LODR Regulations, 2015, do not specifically provide for the inclusion, or otherwise, of the MD of the company in the AC. Executives, including the MD, can be invited to be present when the committee feels that they would be in a position to clarify matters or add to the information made available to the AC.

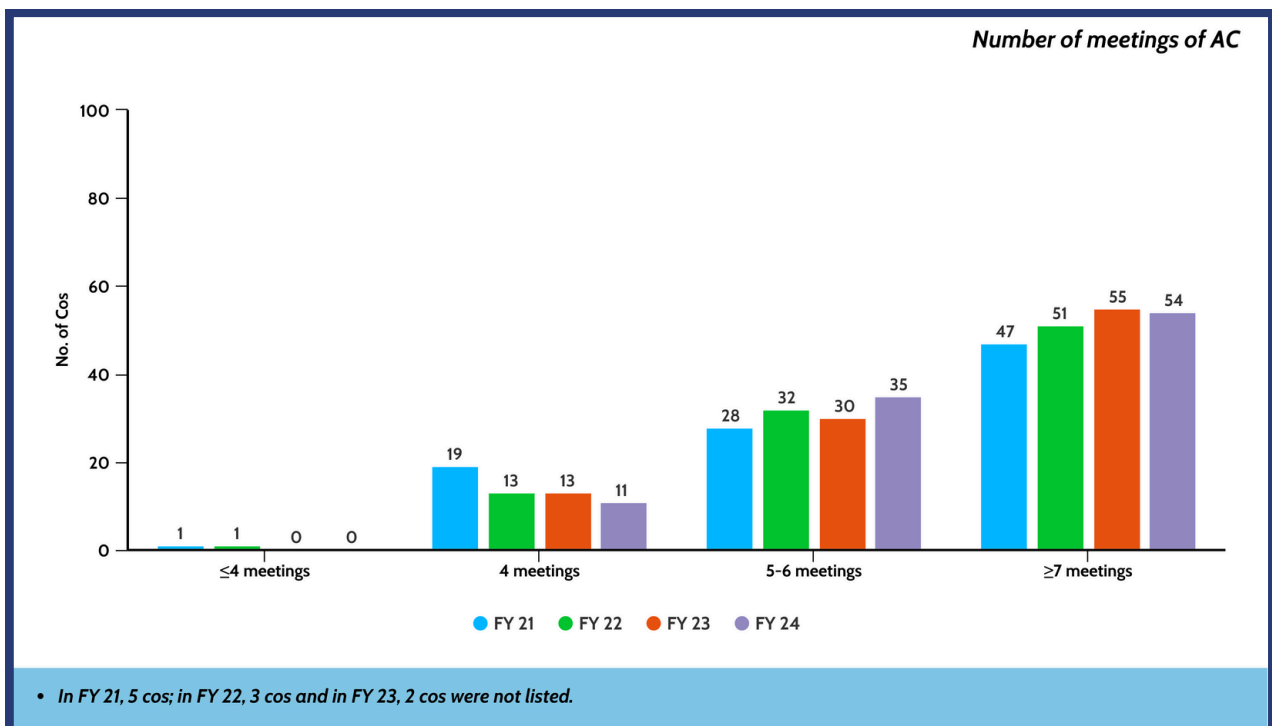


- In the previous 4 FYs, 10 companies are common.

## NUMBER OF MEETINGS OF AC

- 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.

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.



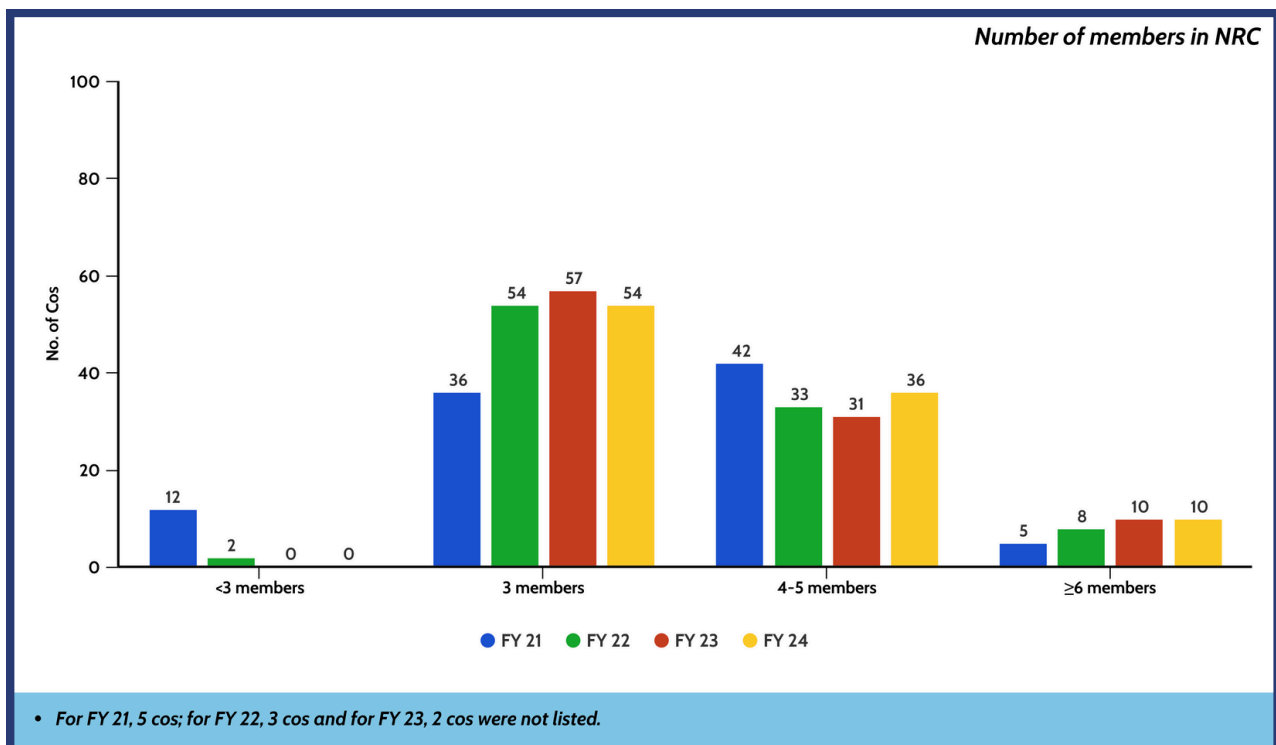
- In previous 4 FYs, 4 companies have continued to convene only 4 meetings.
- Highest number of meetings
  - in FY 21 was 16,
  - in FY 22 was 17,
  - in FY 23 was 19 in 2 companies,
  - in FY 24 was 25.

# NOMINATION AND REMUNERATION COMMITTEE

## COMPOSITION OF NRC

- As per Section 178(1) of the Companies Act, 2013, the Board of Directors of every listed public 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 two-thirds of the directors shall be independent directors (wef January 1, 2022).
- 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.

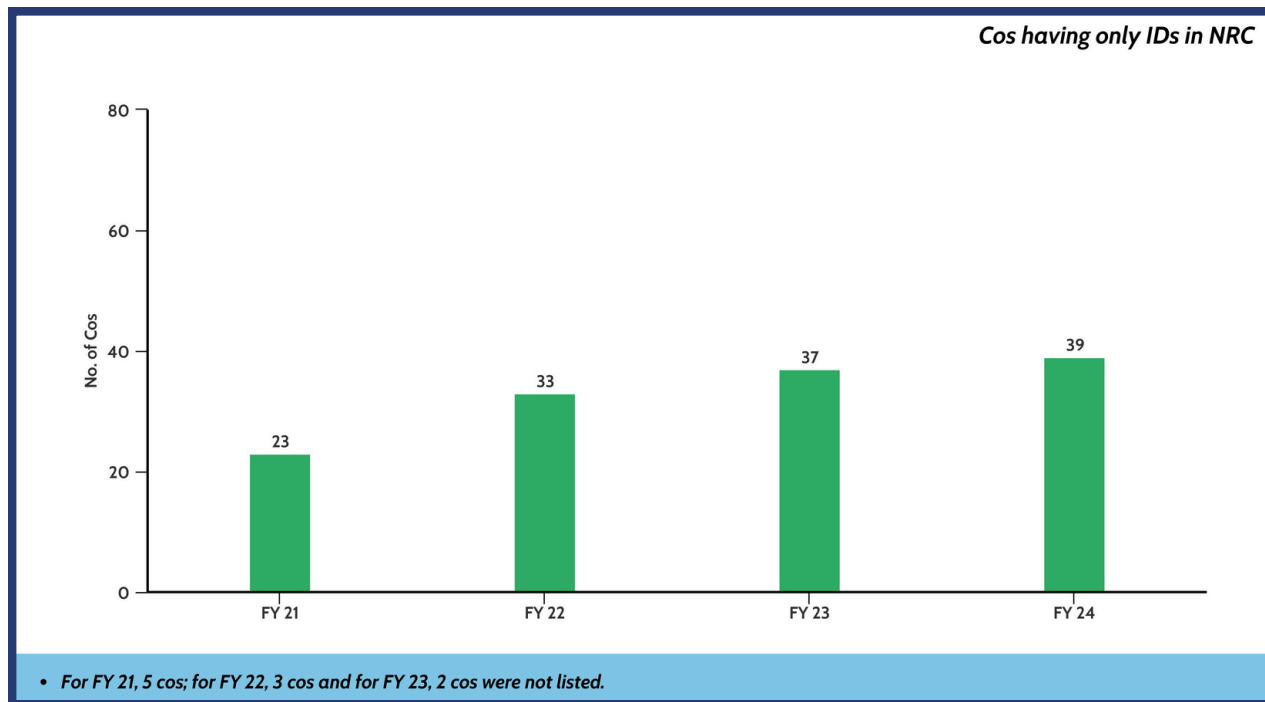
NRCs have come into their own in the last few years, partly on account of Covid-derived disruptions in the workforce, and the increasing focus on succession planning, compensation, and the identification of persons with skillsets and expertise relevant to the Board. With in-person meetings having resumed, NRCs must manifest a more effective presence and should drive the process of getting the right persons for the right positions.



- Highest number of members
  - in FY 21, was 7 in 1 company,
  - in FY 22, was 9 in 1 company,
  - in FY 23, was 7 in 2 companies,
  - in FY 24, was 8 in 1 company.
- This size could be unwieldy, and less productive for the functioning of the NRC.

## NRC WITH ONLY IDs

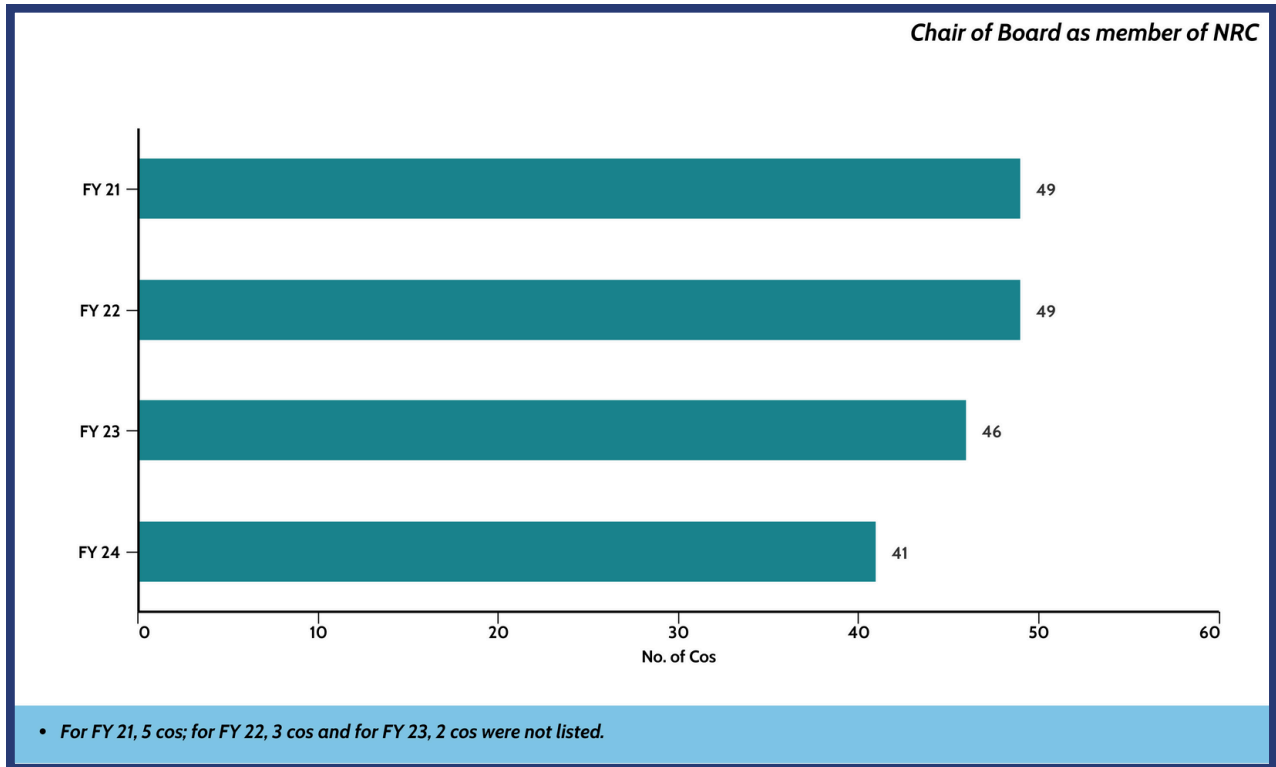
The requirement that IDs should constitute the majority of the members of the NRC, is to ensure objectivity in the composition of Boards and in the selection of KMPs and SMPs. This also ensures that remuneration is appropriately benchmarked with that of the peer group, and that performance and remuneration go hand in hand. NRCs with only IDs as members would be a desirable proposition, though there could be value in having the Chairperson as a member of the NRC.



- In previous 4 FYs, of the companies which had only IDs as members of the committee, 17 were common.

## CHAIR OF BOARD AS A MEMBER OF NRC

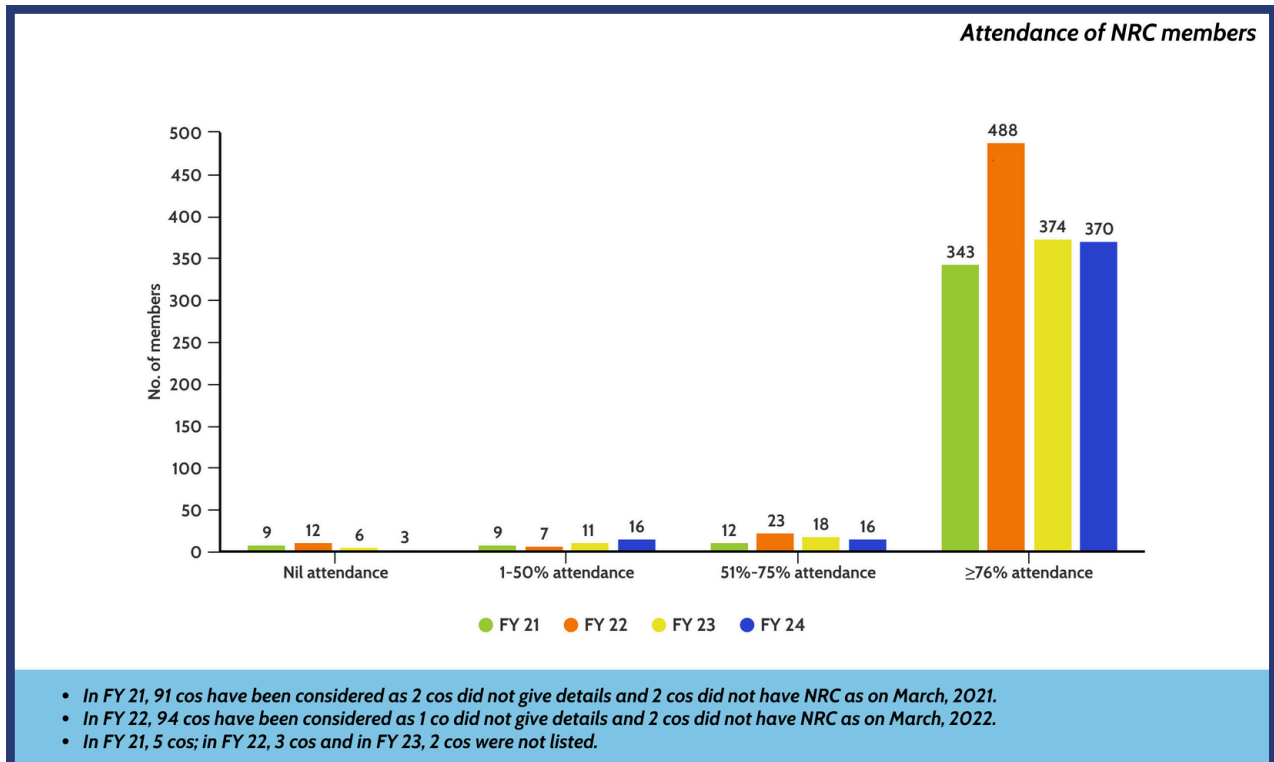
Not having the Chair of the Board as a member of the NRC could lead to the deliberations of the NRC not being informed by the first-hand experience and understanding that the Chair of the Board could bring to the deliberations. Having the Chair of the Board as a member, without him/her being a Chair of the NRC, will balance the availability of appropriate insights, and the independence of the NRC.



- In previous 4 FYs, 31 companies are common.

## ATTENDANCE OF NRC MEMBERS

Given the importance 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. As it is, many NRCs do not meet often enough, having regard to their remit.

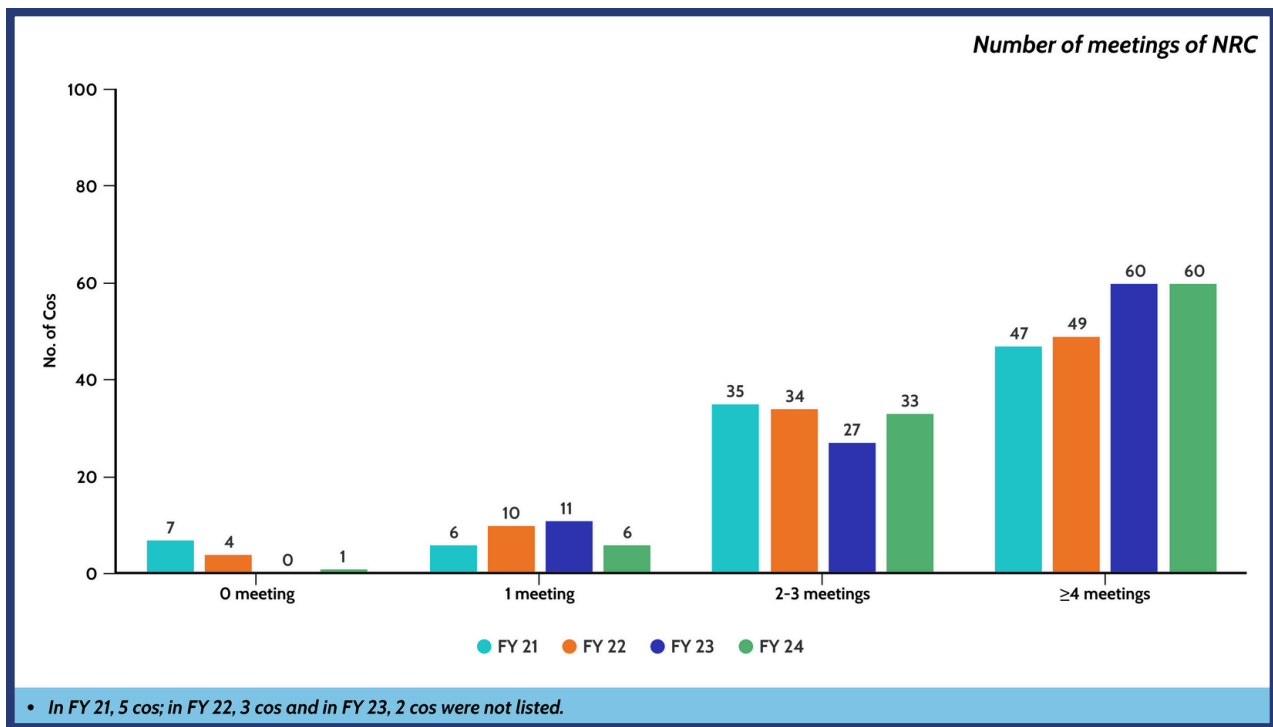


- In FY 21, 88.5% of members had 100% attendance.
- In FY 22, 89% of members had 100% attendance.
- In FY 23, 86.5% of members had 100% attendance.
- In FY 24, 85.5% of members had 100% attendance.

## NUMBER OF MEETINGS OF NRC

- As per Regulation 19(3A) of SEBI LODR Regulations, 2015, the nomination and remuneration committee shall meet at least once in a year.

The regulatory provision that the NRC shall meet at least once a year falls far short of enabling compliance with the increased remit of the NRC, and the importance of the tasks assigned to it. The workload in most NRCs would seem to indicate that 4 meetings a year would be the minimum required to do justice to the remit of the NRC.



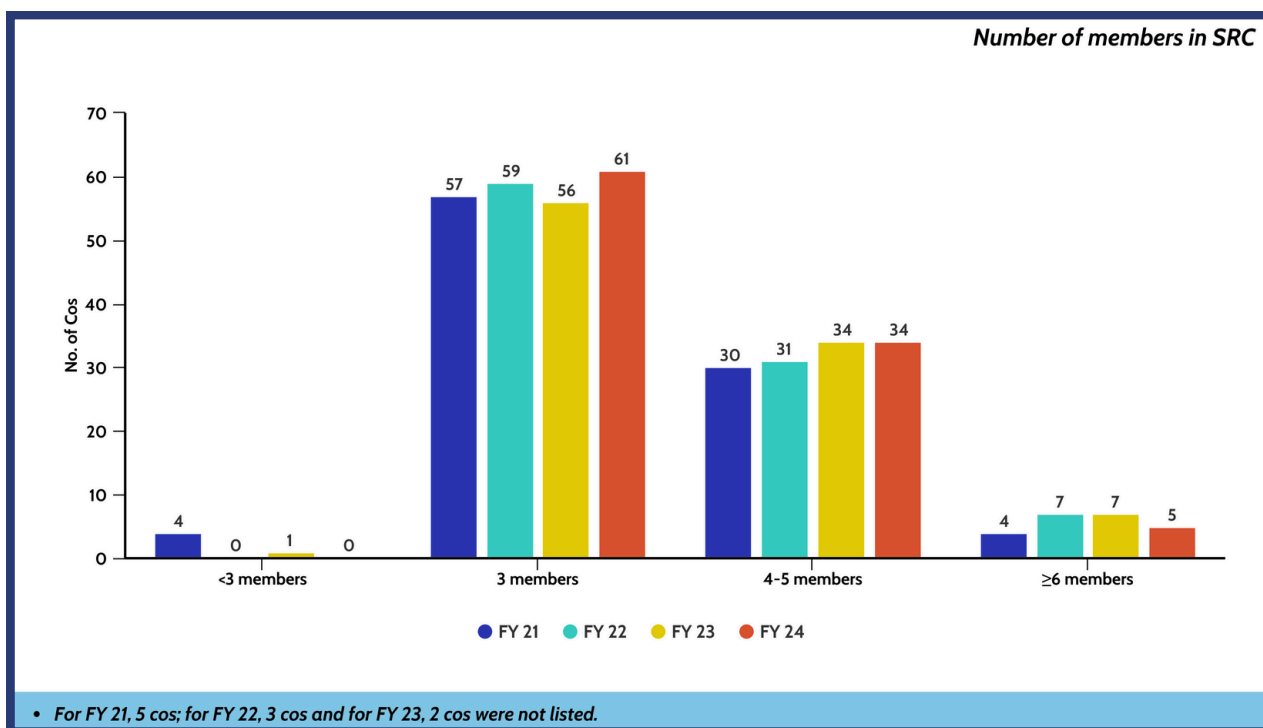
- Highest number of meetings
  - in FY 21 was 28,
  - in FY 22 was 13,
  - in FY 23 was 17,
  - in FY 24 was 18.
- One company has not had any NRC meeting in FY 21, FY 22 and FY 24. It had 1 meeting in FY 23.

# 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.
- 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.

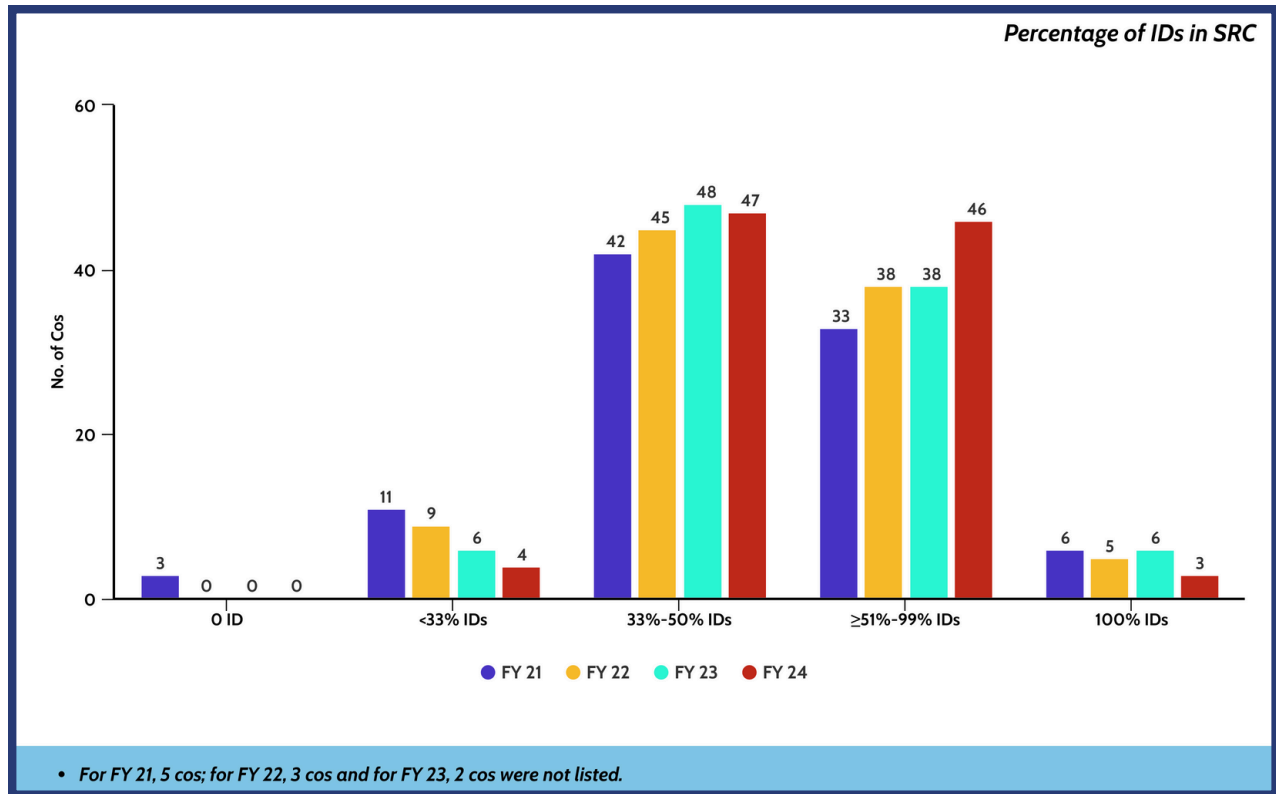


- Highest number of members
  - In FY 21, was 8 in 1 company,
  - In FY 22, FY 23 and FY 24 was 9 in 1 company.



## 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.

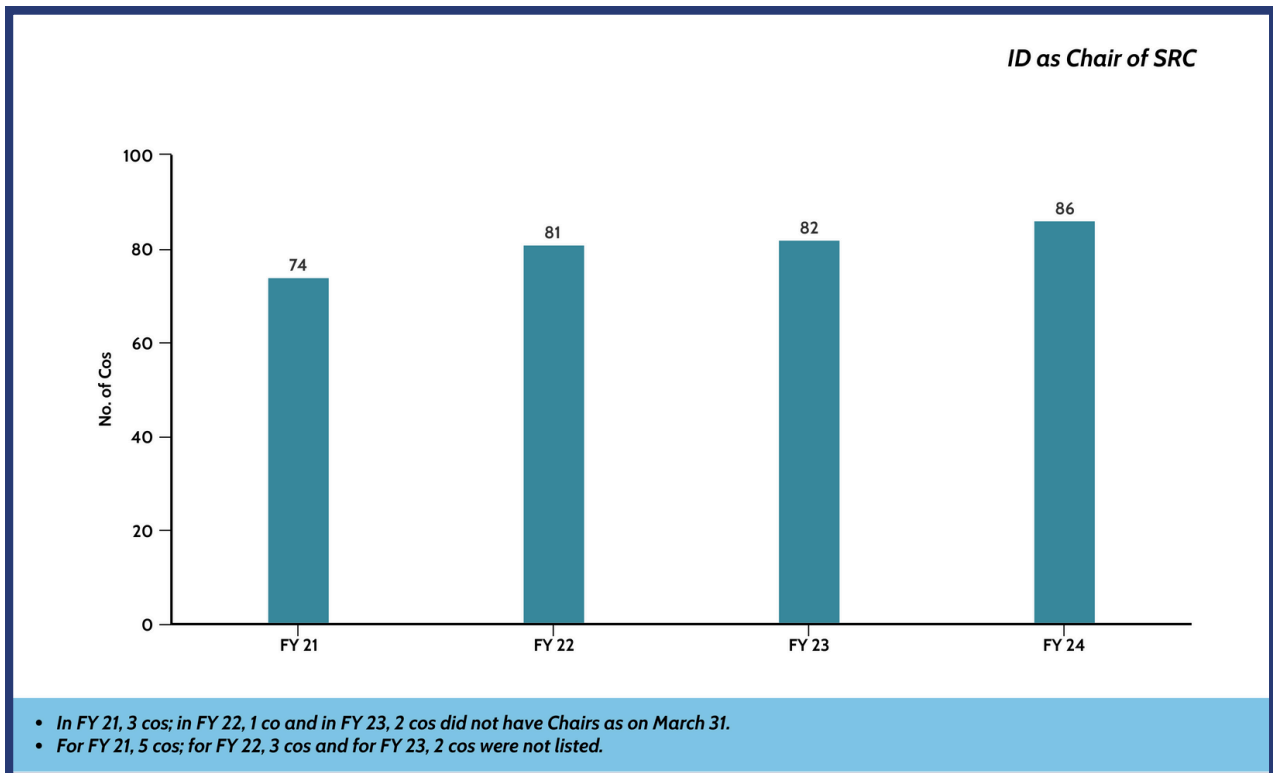


- In previous 4 FYs, only 1 company has all IDs.

## ID AS CHAIR OF 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.

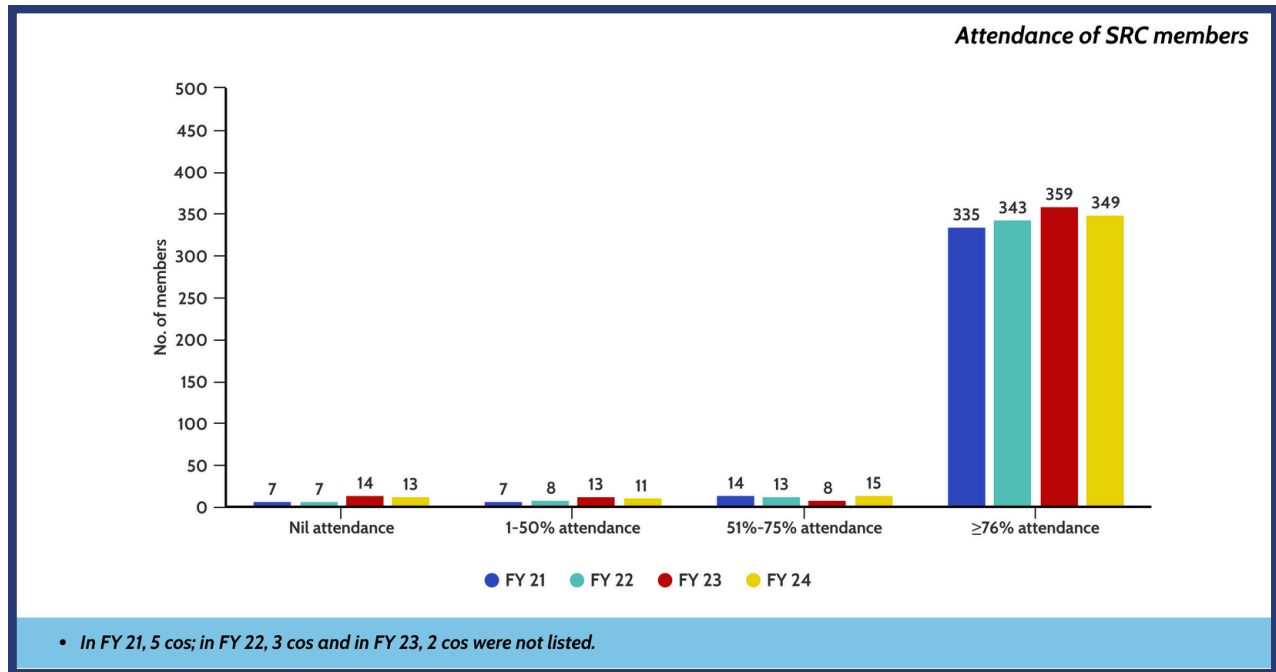
Law and regulations mandate that an NED should Chair the SRC. It would be better to travel further and prescribe that an ID should Chair the SRC given its role.



- In previous 4 FYs, 69 companies are common.

## 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.



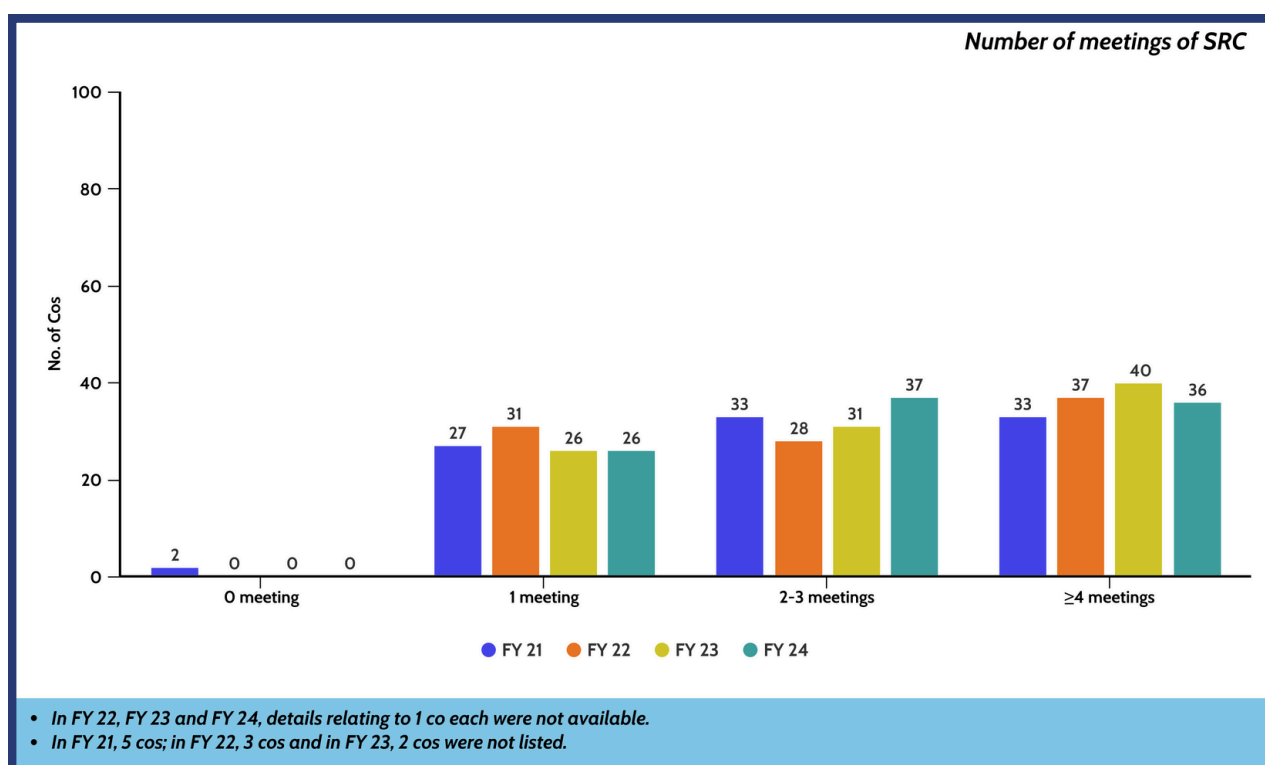
- In FY 21, 90% of members had 100% attendance.
- In FY 22, 90% of members had 100% attendance.
- In FY 23, 89% of members had 100% attendance.
- In FY 24, 85% of members had 100% attendance.

## NUMBER OF MEETINGS OF SRC

- As per Regulation 20(3A) of SEBI LODR Regulations, 2015, the stakeholders relationship committee shall meet at least once in a year.

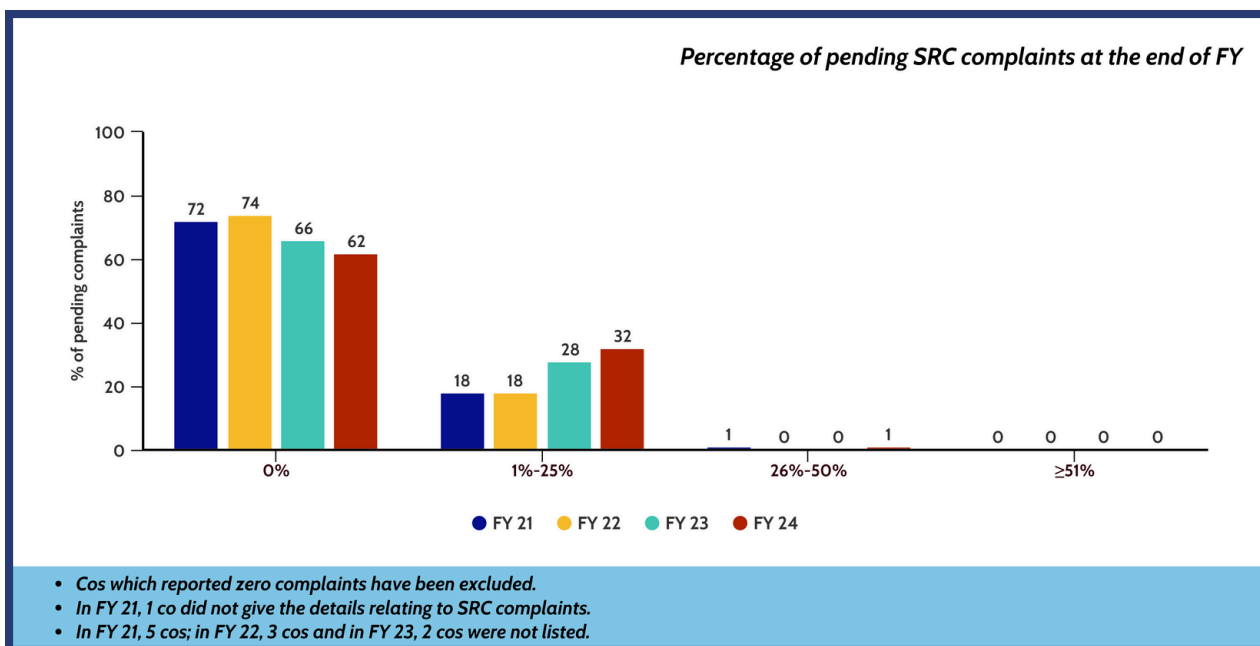
Since the SRC has evolved into its present avatar from the erstwhile Shareholders Grievance Committee, it would be appropriate to expand its remit to cover other categories of stakeholders, so that justice is done to the name of the Committee Having only 1 meeting of the SRC each year is reflective of 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.



- In previous 4 FYs, 14 companies continued to convene only 1 meeting.
- Highest number of meetings
  - in FY 21 was 9,
  - in FY 22 was 12,
  - in FY 23 was 5 in 2 companies,
  - in FY 24 was 18.
- The reason for conducting so many meetings is not clear given the limited remit, as per statute, of the SRC.

## COMPLAINTS UNDER SRC

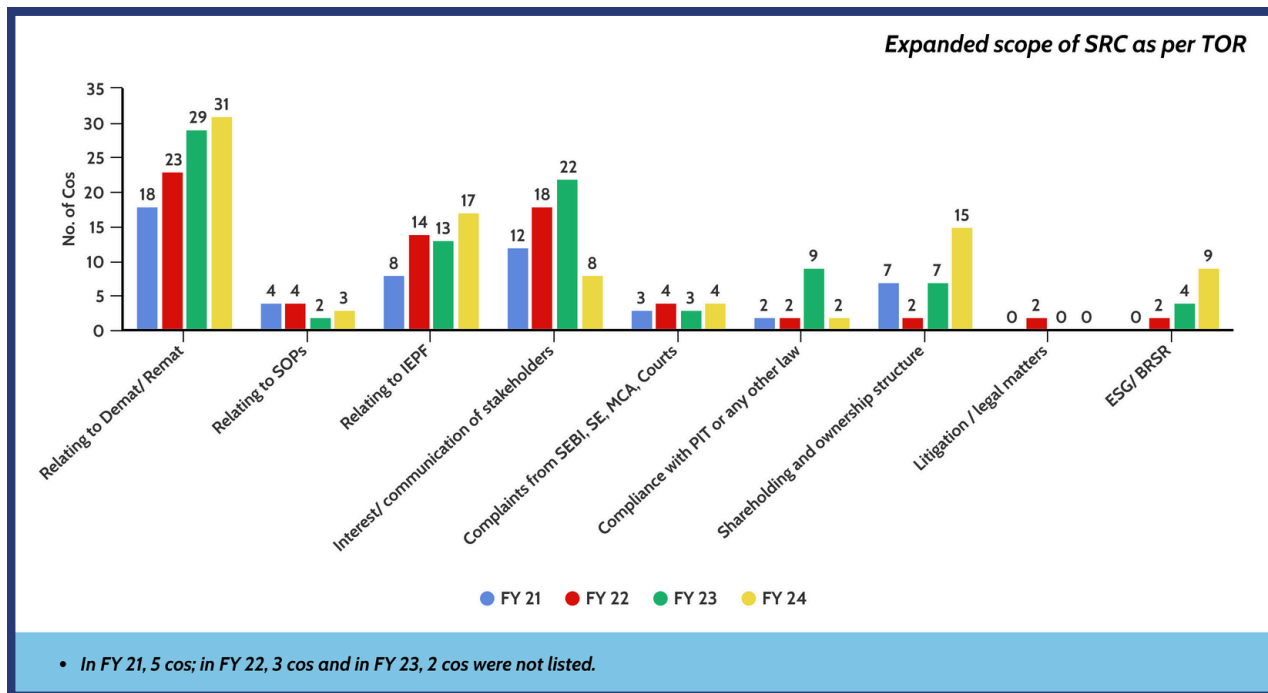


- In previous 4 FYs, 38 companies, which received complaints, continued to have no pending complaints at the end of FY.
- 1 company did not receive any complaints in all 4 FYs.
- The highest number of complaints received in FY 24 were 11,554 in 1 company. There were no pending complaints at the end of the year.

## 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.

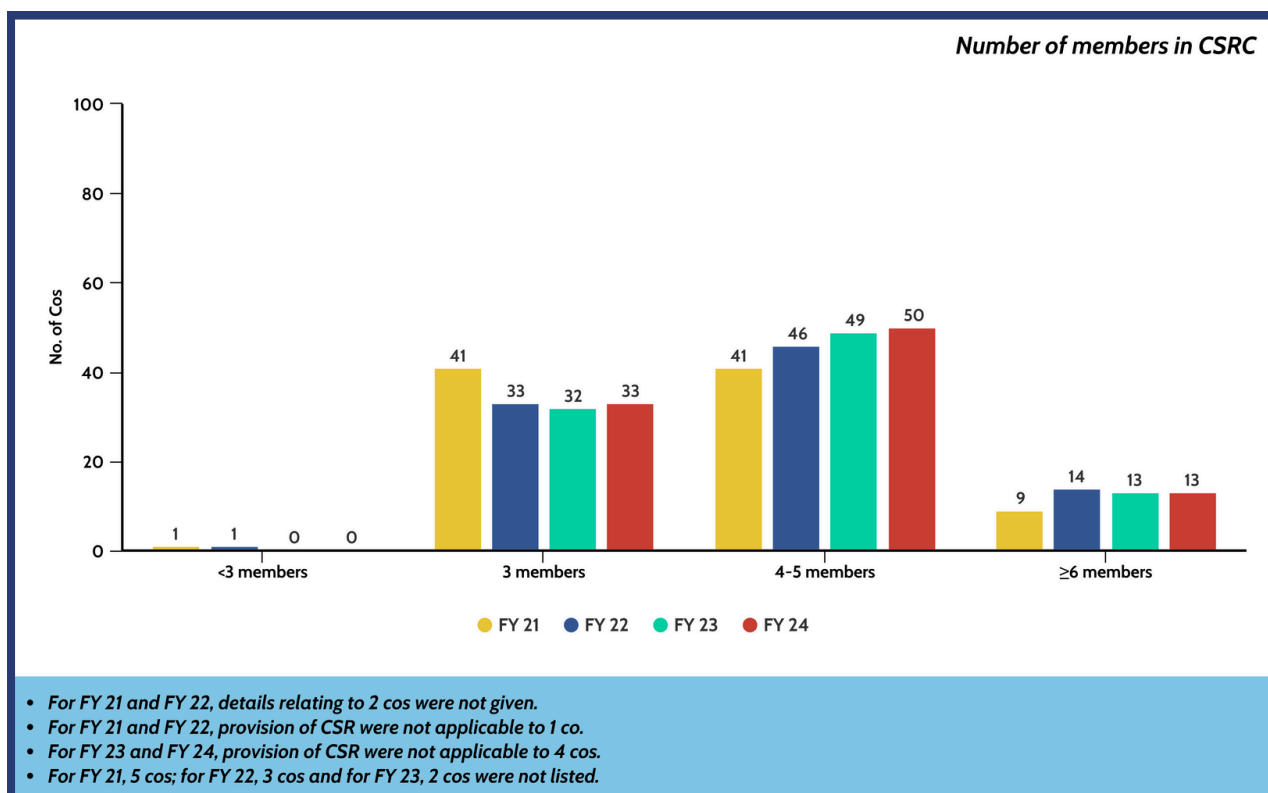


- In FY 21, FY 22, FY 23 and FY 24, terms of reference of SRCs of 53, 54, 45 and 52 companies respectively had only mandatory provisions.

# CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

## COMPOSITION OF CSRC

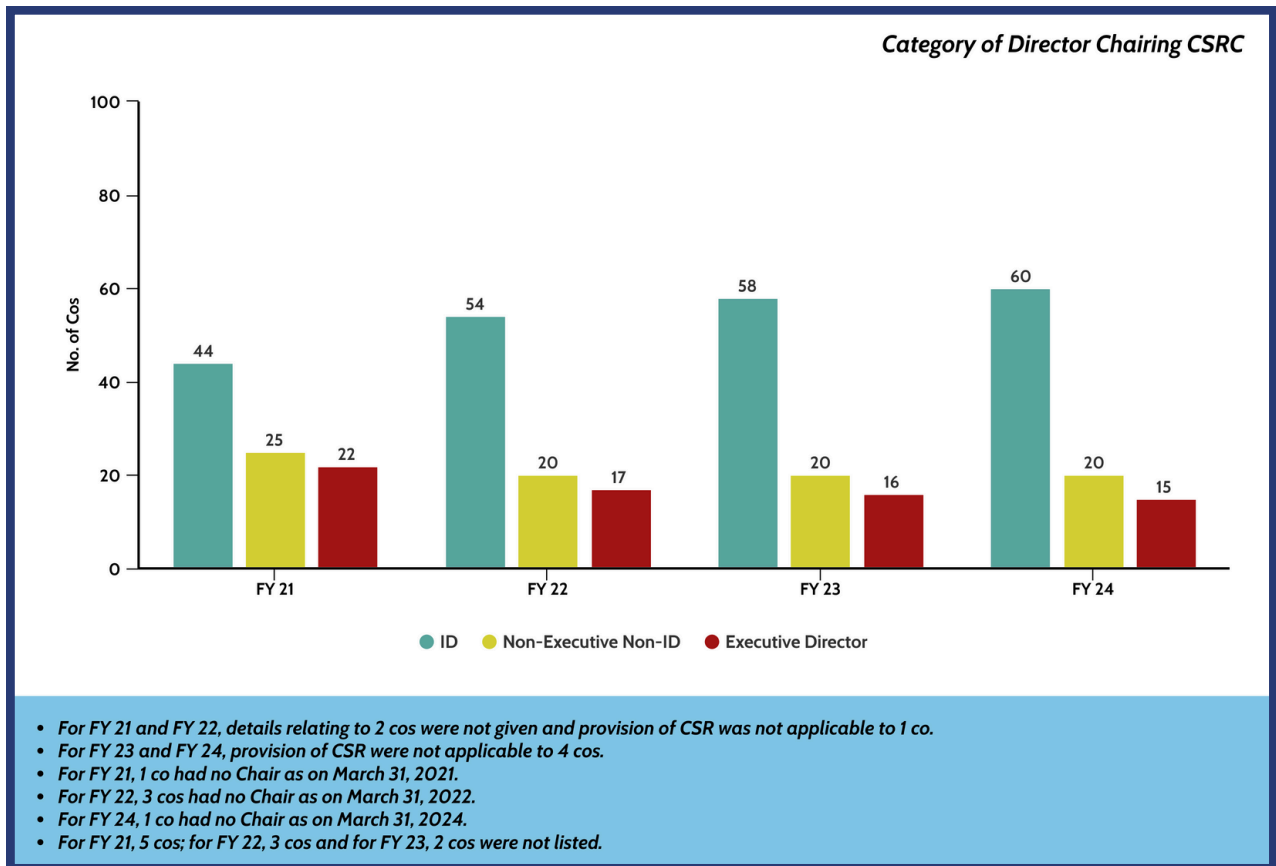
- As per Section 135(1) of the Companies Act, 2013, every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year shall constitute a Corporate Social Responsibility 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 21, was 8 in 1 company,
  - In FY 22, FY 23 and FY 24 was 9 in 1 company.

## 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.

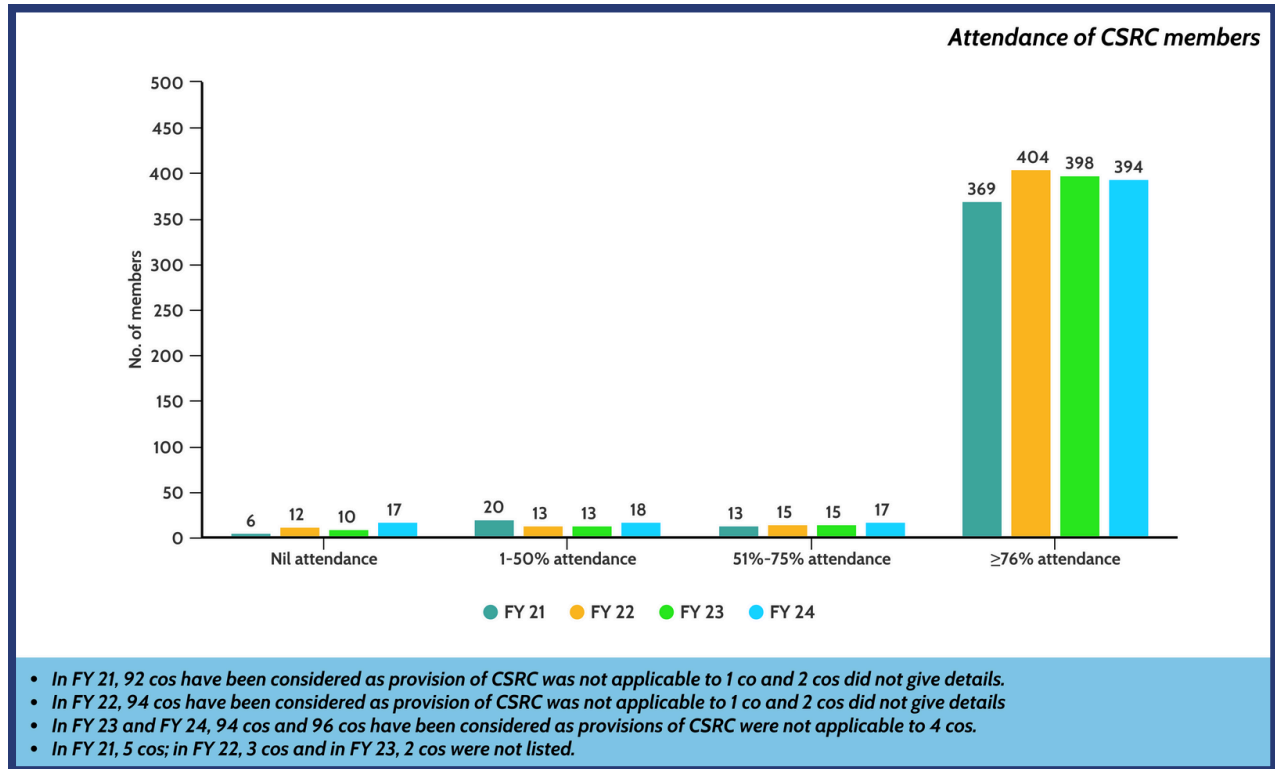


- In previous 4 FYs, 40 companies continued to have ID as Chair of the committee.



## ATTENDANCE OF CSRC MEMBERS

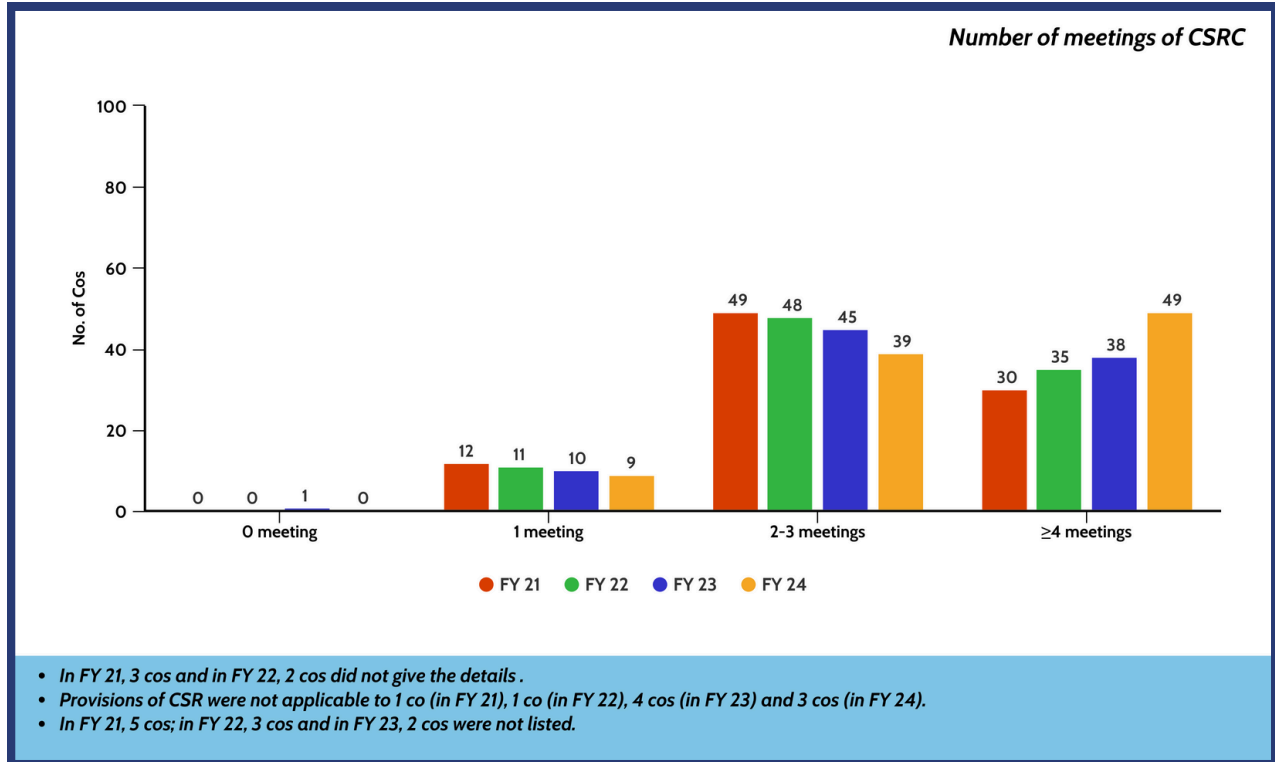
Non-attendance or inadequate attendance at the meetings of a Board-level committee is indicative of a lack of seriousness towards the role as a member of the committee. Any member not attending a single meeting throughout the year should be taken out of the committee.



- In FY 21, 89% of members had 100% attendance.
- In FY 22, 89.5% of members had 100% attendance.
- In FY 23, 90% of members had 100% attendance.
- In FY 24, 86% of members had 100% attendance.

## NUMBER OF MEETINGS OF CSRC

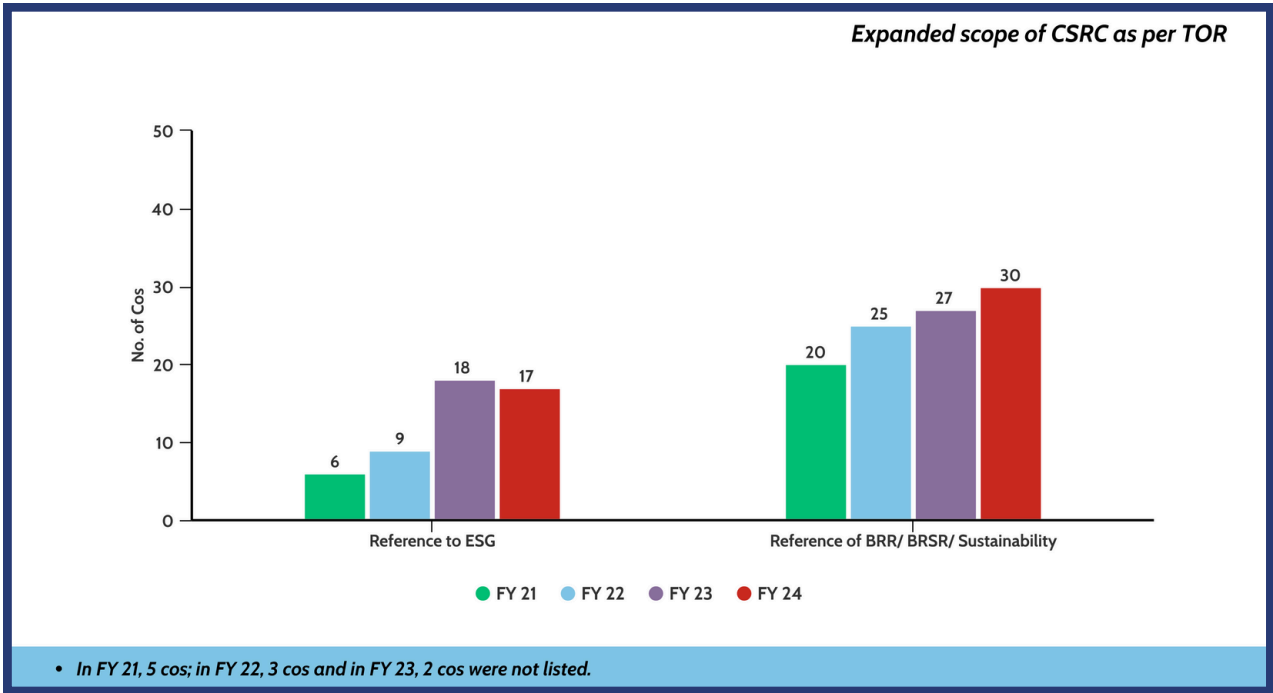
While there is no provision in the Act prescribing the minimum number of meetings of CSRC, given the enhanced emphasis on the role of the CSRC, it should ideally have 3 meetings during a FY. These meetings could look at sanctioning projects, monitoring the progress of implementation, and assessing the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



- Highest number of meetings
  - in FY 21 was 8,
  - in FY 22 was 10,
  - in FY 23 was 10 in 2 companies,
  - in FY 24 was 13.
- In previous 4 FYs, 5 companies continued to convene only 1 meeting.

## EXPANDED SCOPE OF CSRC

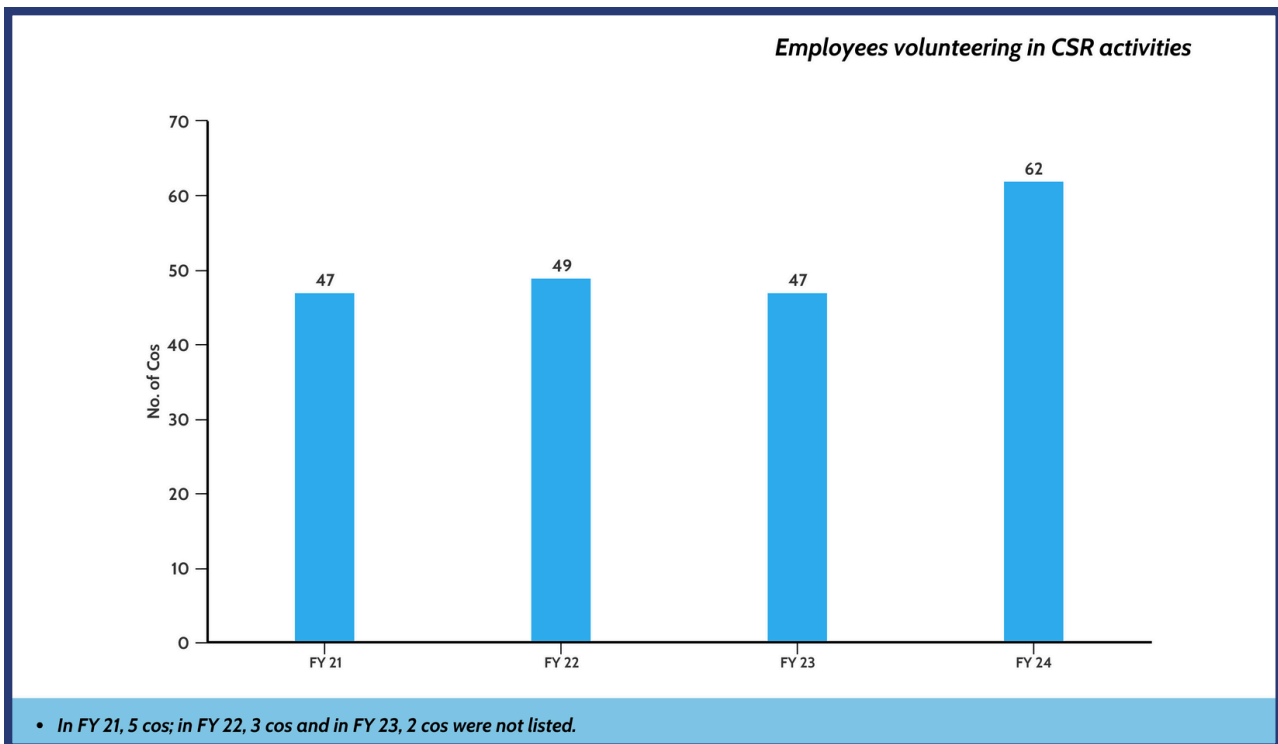
This is the committee that is tasked with protecting and preserving the interest of society as a stakeholder in the corporate entity. Till recently, most companies saw this committee as a channelising agent for the funds that they were supposed to provide for CSR. In the present context, with ESG having assumed criticality, it is necessary for the CSRC to significantly expand its scope, in order to address the 3 elements of the ESG mandate. In doing so, the company would have to provide for constructive cooperation and collaboration by all relevant Board committees, so that no element of ESG is given less attention. A few companies have chosen to house ESG in other committees or to have a separate ESG Committee.



- In previous 4 FYs, 4 companies and 13 companies have continued to look at ESG and at BRR/BRSR/ Sustainability respectively in their CSRC meetings.

## EMPLOYEE VOLUNTEERING IN CSR

CSR is often seen as an expenditure item that companies put up with. The fact that society as a stakeholder needs to benefit from corporates should manifest itself as an affair of the heart, and not as an accounting entry. One aspect of this philosophy is the willingness with which the entire workforce participates in the CSR efforts of the company. Even if this is not articulated in the CSR policy, or sought to be captured in numbers, employee engagement in these efforts can be beneficial for all concerned.



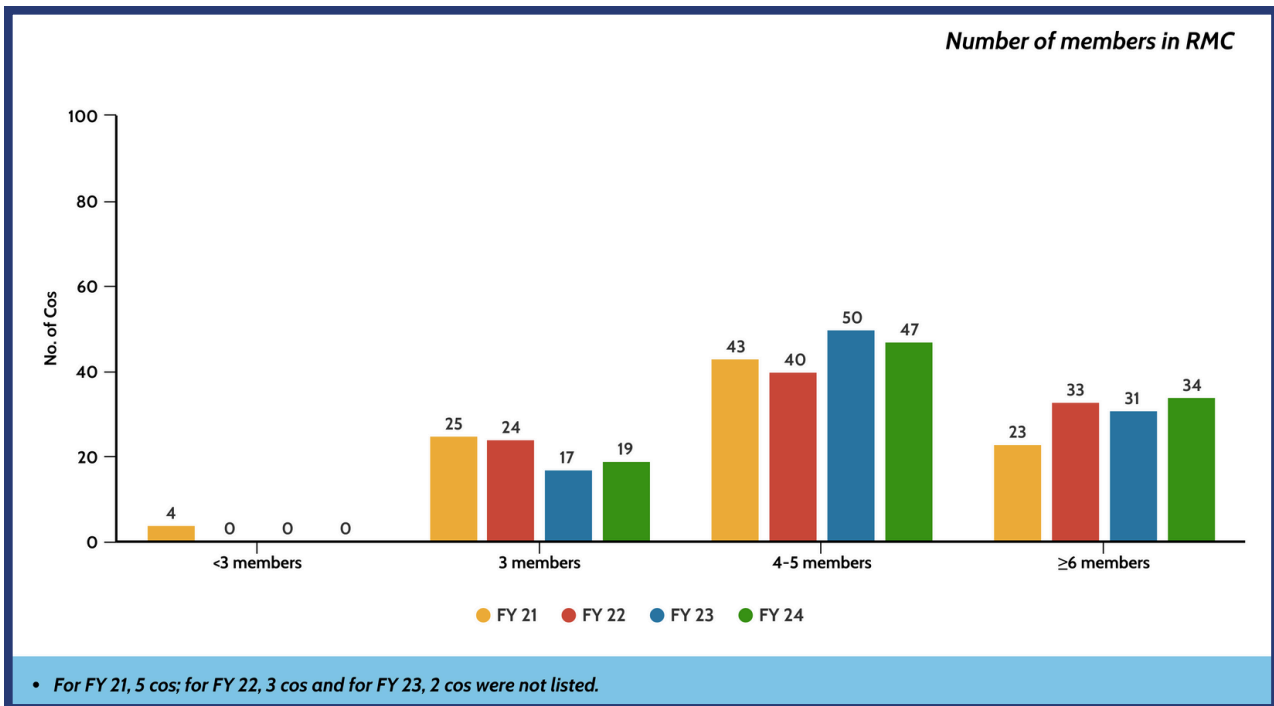
- In previous 4 FYs, 34 companies have continued with the practice of employee volunteering.

# RISK MANAGEMENT COMMITTEE

## COMPOSITION OF RMC

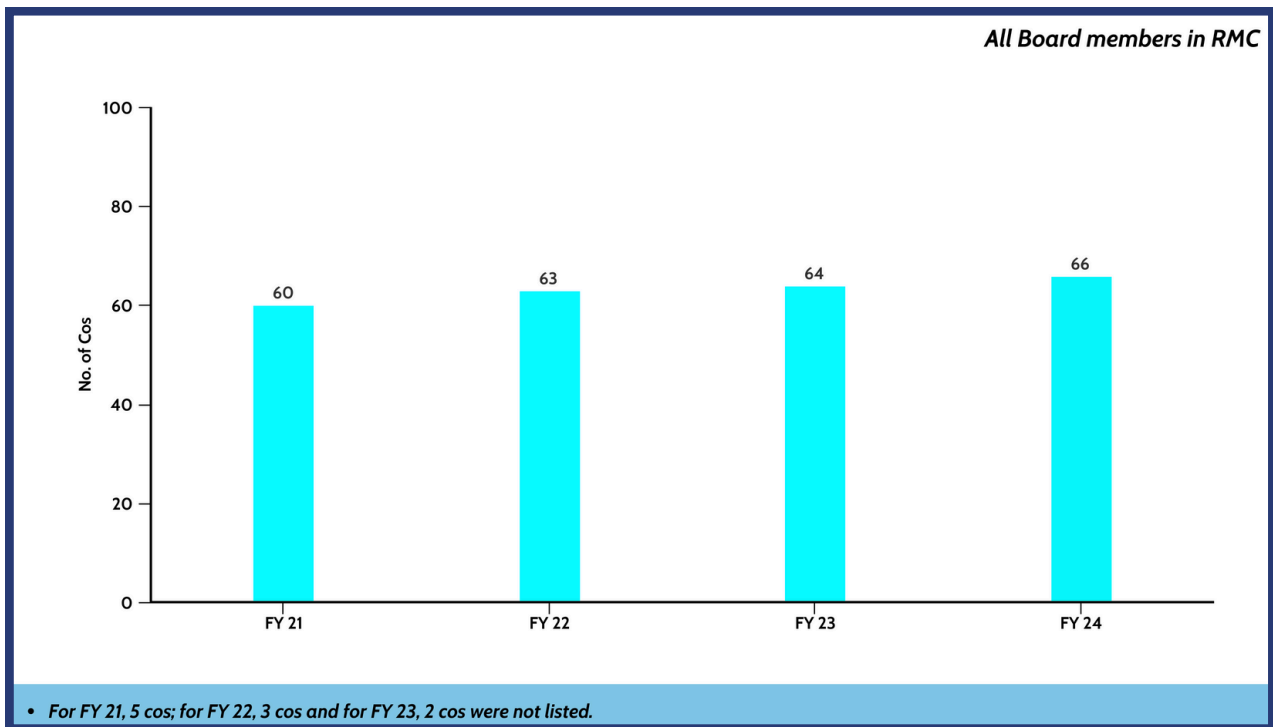
- As per Regulation 21(5) of SEBI LODR Regulations, 2015, the provisions of this regulation shall be applicable to:
  - i. the top 1000 listed entities determined on the basis of market capitalization as at the end of the immediate preceding financial year.
  - ii. a 'high value debt listed entity' (wef September 7, 2021)
- As per Regulation 21(2) of SEBI LODR Regulations, 2015, the Risk Management Committee shall have minimum three members with majority of them being members of the board of directors, including at least one independent director (wef May 05, 2021).
- 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, other than 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.



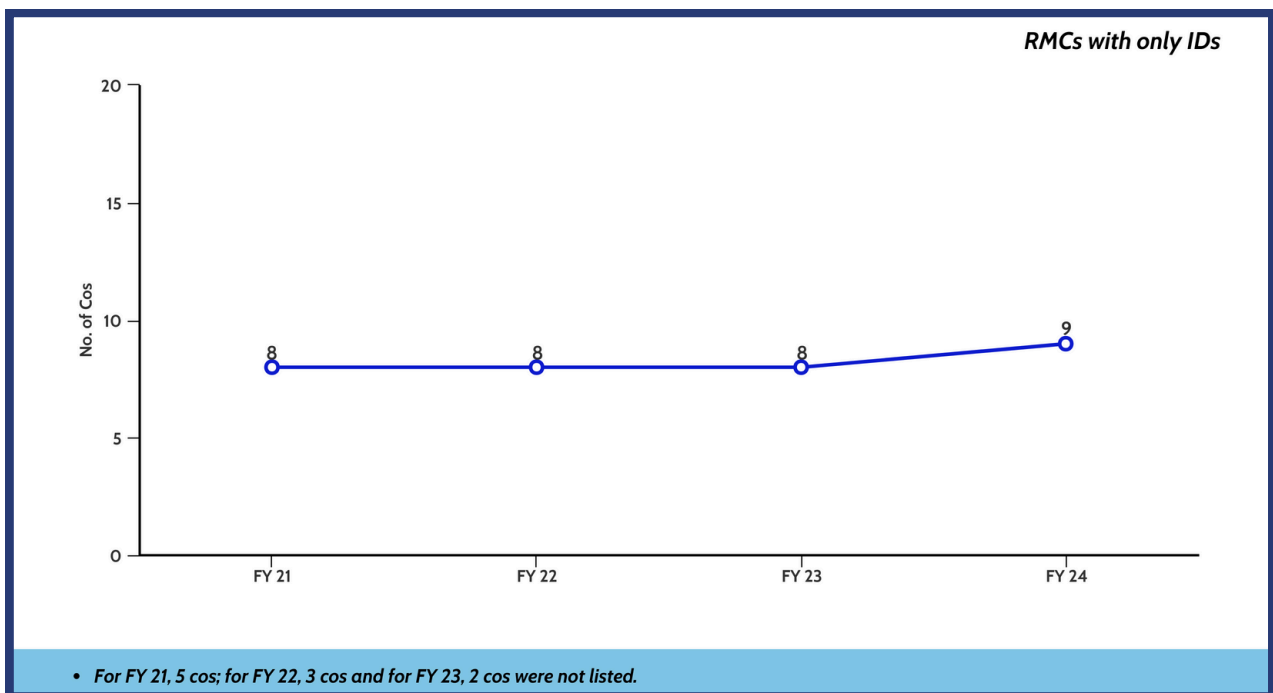
- Highest number of members
  - in FY 21, was 9 in 2 companies,
  - in FY 22, was 9 in 2 companies,
  - in FY 23, was 9 in 2 companies,
  - in FY 24, was 9 in 1 company.

## ALL BOARD MEMBERS IN RMC



- In 4 FYs, of the companies which had all Board members as members of RMC, 51 were common.

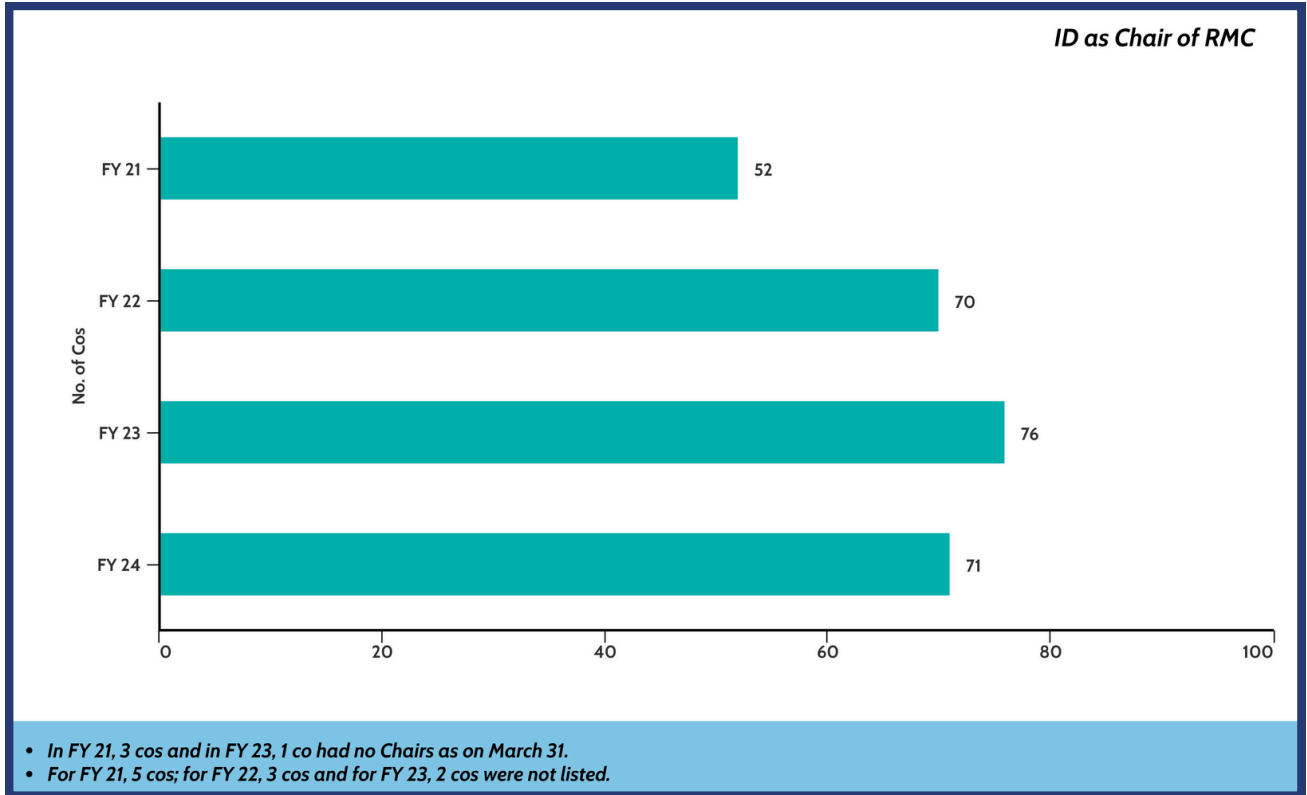
## ALL IDs IN RMC



- 7 companies are common in previous 4 FYs.

## ID AS CHAIR OF RMC

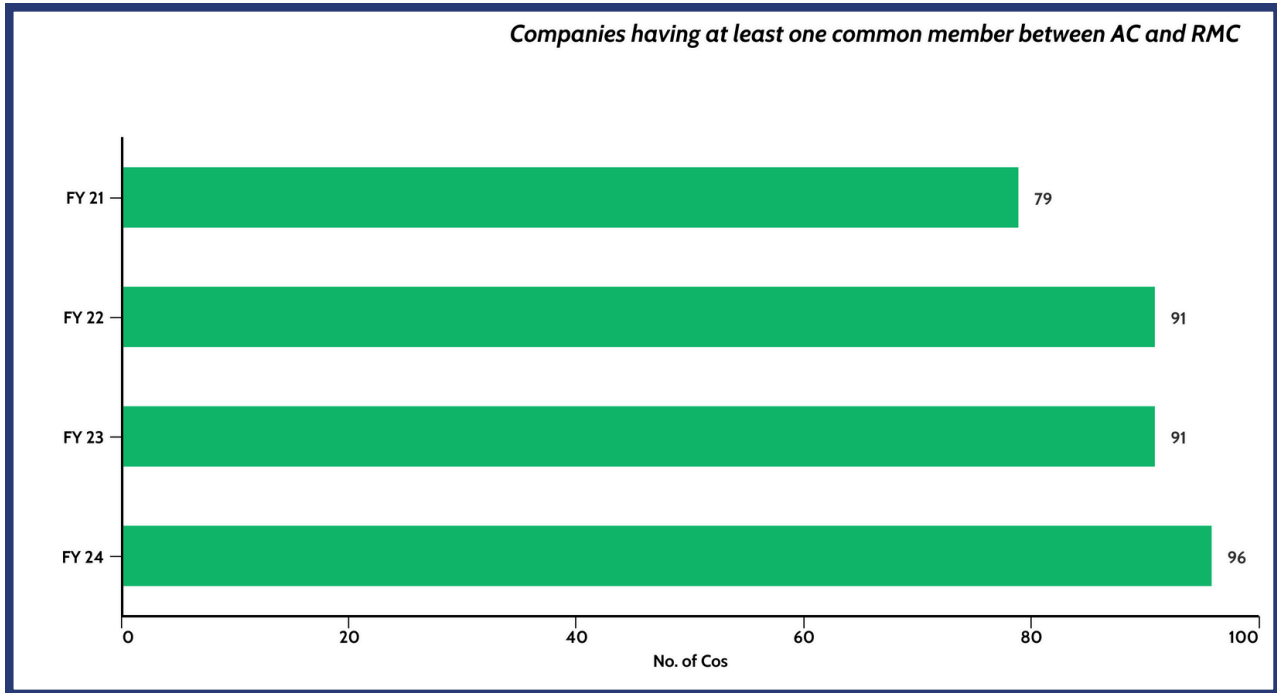
An ID being a member of the RMC is useful since an external perspective can be brought to a committee which more often than not is likely to have a significant management/ executive presence.



- In 4 FYs, of the companies which had ID as Chair of RMC, 48 were common.

## COMMON MEMBERSHIP BETWEEN AC AND RMC

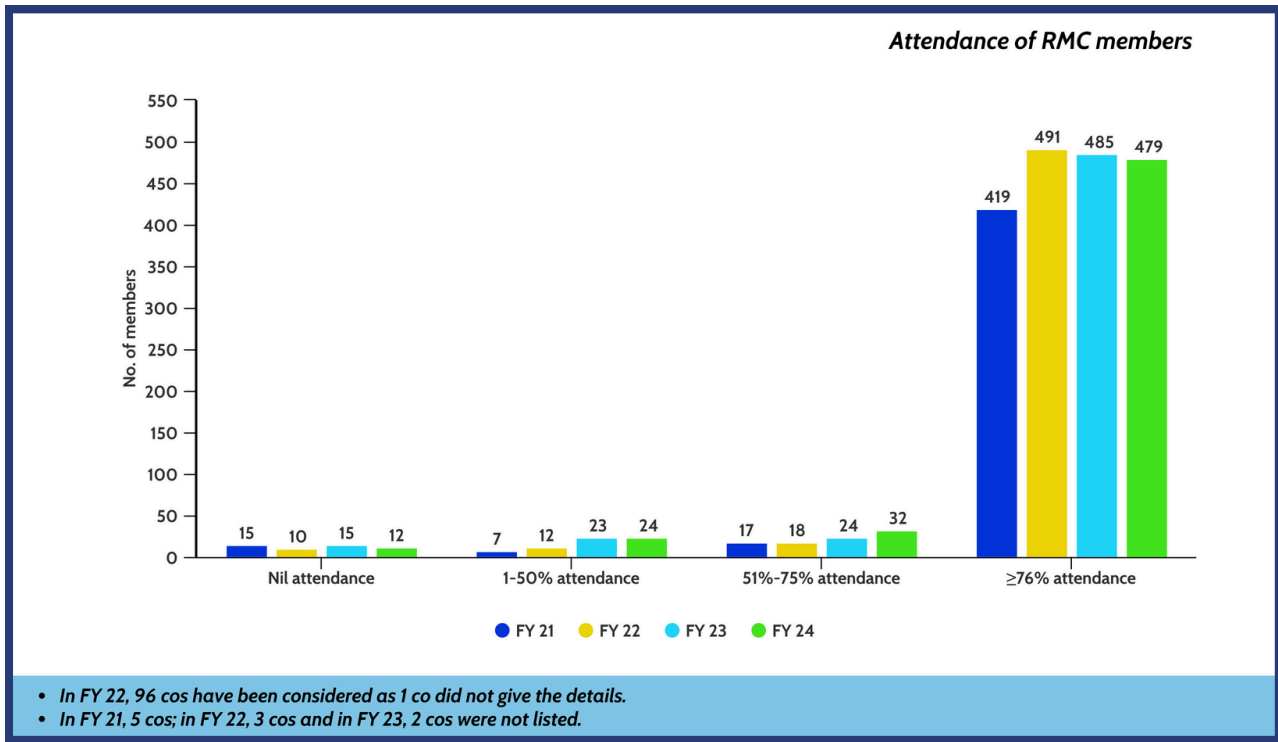
Even with the constitution of the RMC, risk management does not cease to be in the charter of the AC. Further, there are synergies between the committees, with Internal Audit being an integral input in the risk management function. Commonality of membership is useful for the 2 committees to work together.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



- In previous 4 FYs, 7 companies are 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.



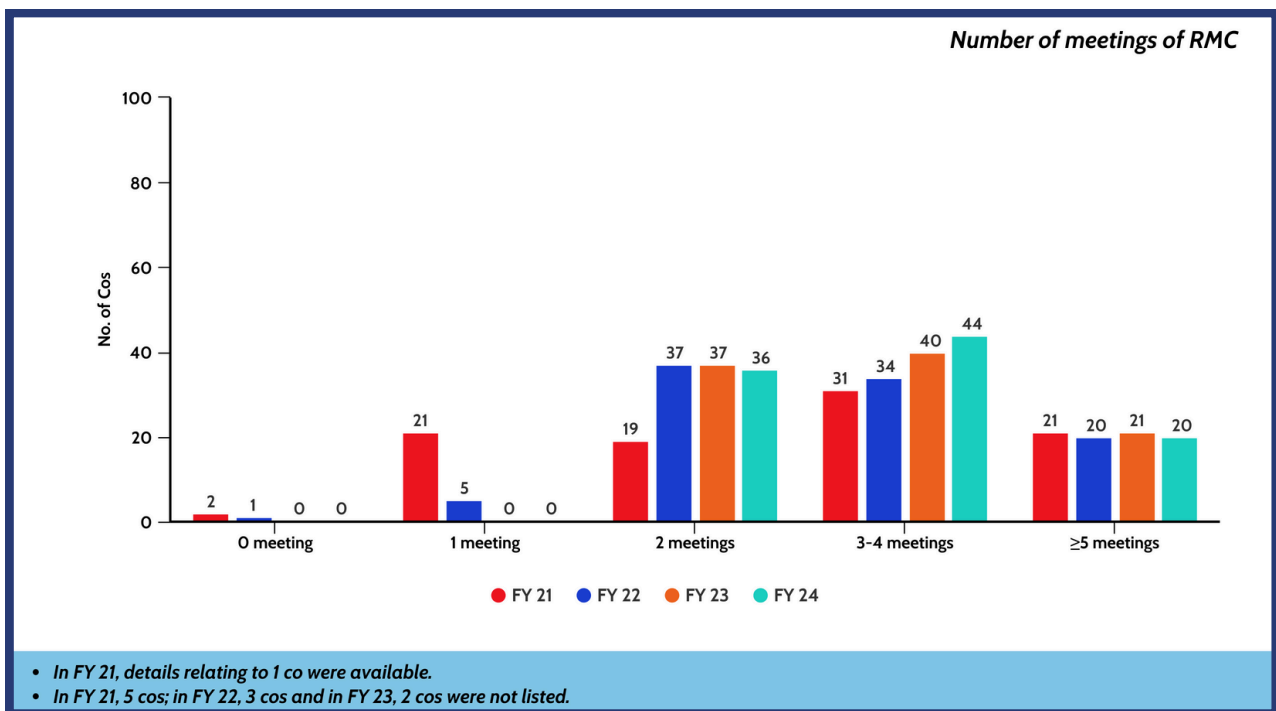
- In FY 21, 84% of members had 100% attendance.
- In FY 22, 90% of members had 100% attendance.
- In FY 23, 85.5% of members had 100% attendance.
- In FY 24, 84.5% of members had 100% attendance.



## NUMBER OF MEETINGS OF RMC

- As per Regulation 21(3A) of SEBI LODR Regulations, 2015, the risk management committee shall meet at least twice in a year (wef May 05, 2021).
- As per Regulation 21(3C) of SEBI LODR Regulations, 2015, the meetings of the risk management committee shall be conducted in such a manner that on a continuous basis not more than one hundred and eighty days shall elapse between any two consecutive meetings (wef May 05, 2021).

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, two meetings per year do not even scratch the surface. This is not an area where the box-ticking approach to regulations will yield results.

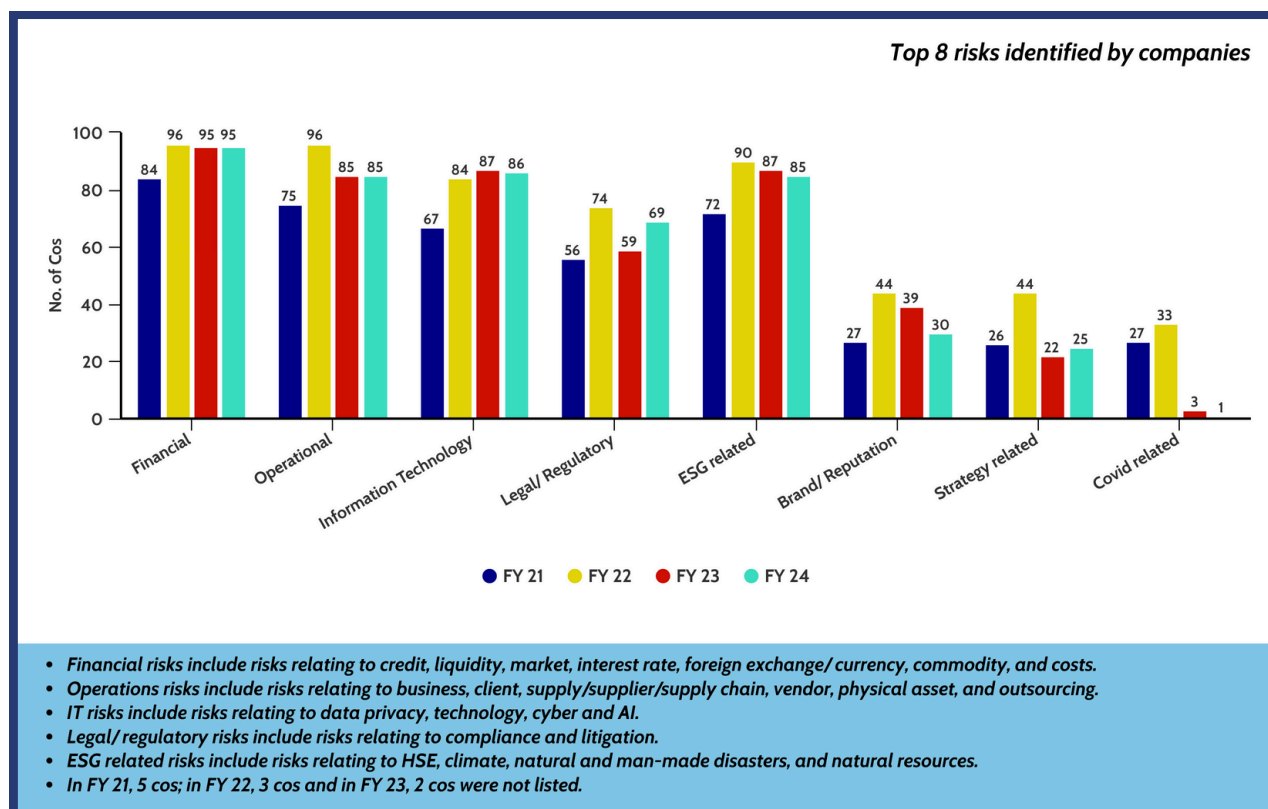


- Highest number of meetings
  - in FY 21 was 9 in 3 companies,
  - in FY 22 was 13,
  - in FY 23 was 12,
  - in FY 24 was 11.
- In previous 4 FYs, 7 companies continued to convene only the minimum number of RMC meetings.

# TOP 8 RISKS IDENTIFIED BY COMPANIES

- As per Regulation 21(4) of SEBI LODR Regulations, 2015, the board of directors shall define the role and responsibility of the Risk Management Committee and may delegate monitoring and reviewing of the risk management plan to the committee and such other functions as it may deem fit such function shall specifically cover cyber security (wef April 1, 2019)
- 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 should commence with a robust process for identification of risks, and an assessment of their impact and probability.



- Some of the other risks which stand out in the 4 FYs are lack of succession planning, absence of business continuity plan, inadequate HR/ talent management, geo-political risks, human rights, diversity and inclusion, business ethics and integrity, fraud, IPR, Research and Development etc.

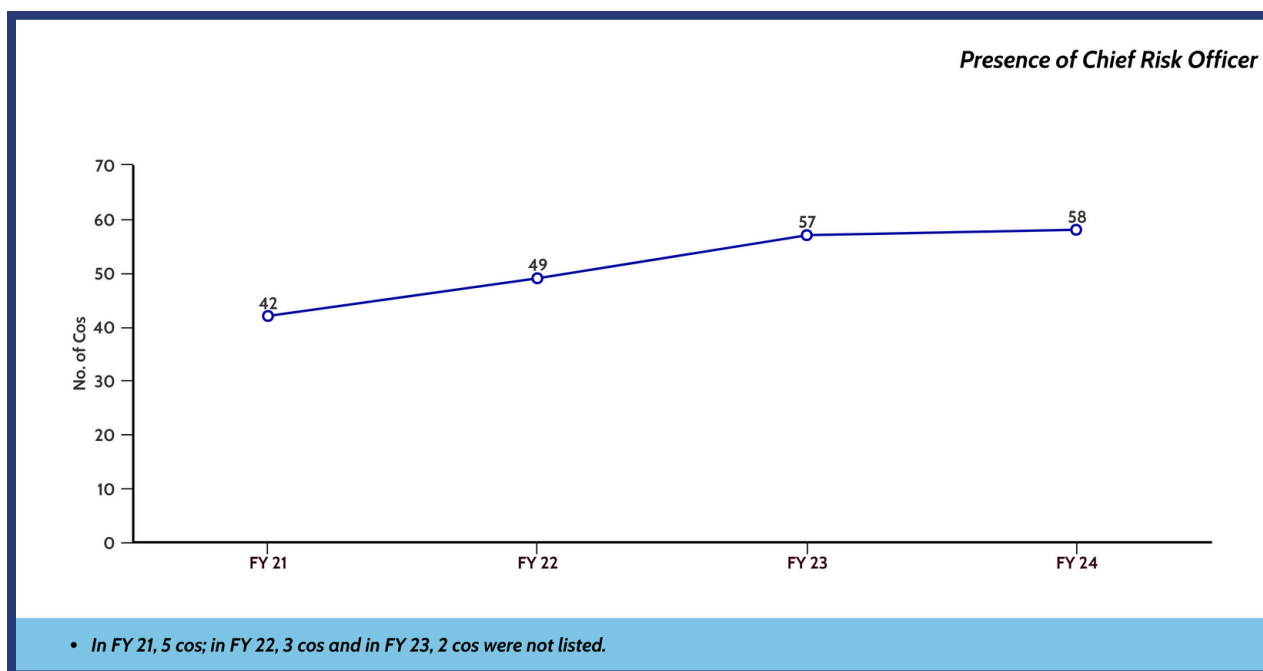
## CYBER SECURITY INCIDENTS

- As per Regulation 27(2) of SEBI LODR Regulations, 2015, (ba) Details of cyber security incidents or breaches or loss of data or documents shall be disclosed along with the report mentioned in clause (a) of sub-regulation (2), as may be specified (wef July 15, 2023).
- During FY 24, 5 companies reported cyber security incidents/breaches or loss of data occurrences. Of these, only 1 company gave details of the breach.
- Some companies, while admitting a cyber security breach, are reluctant to bring the details in public domain.

## PRESENCE OF CHIEF RISK OFFICER

With risk getting centre stage, it is important to have a senior functionary lead the risk management vertical. Double hatting by CROs is a suboptimal arrangement.

- In all 4 FYs, 40 companies have disclosed the presence of a CRO.

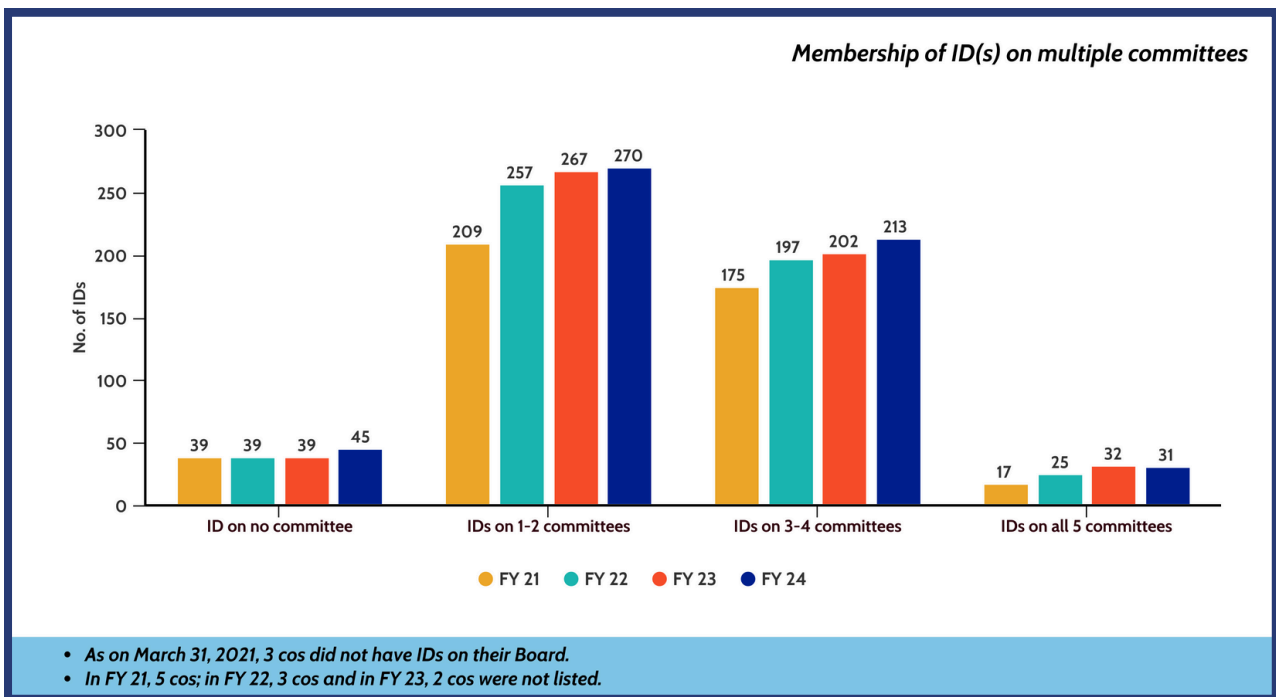


- In all 4 FYs, 40 companies have disclosed the presence of a CRO.

# COMMITTEE MEMBERSHIP

## DISTRIBUTION OF COMMITTEE MEMBERSHIP AMONG IDs

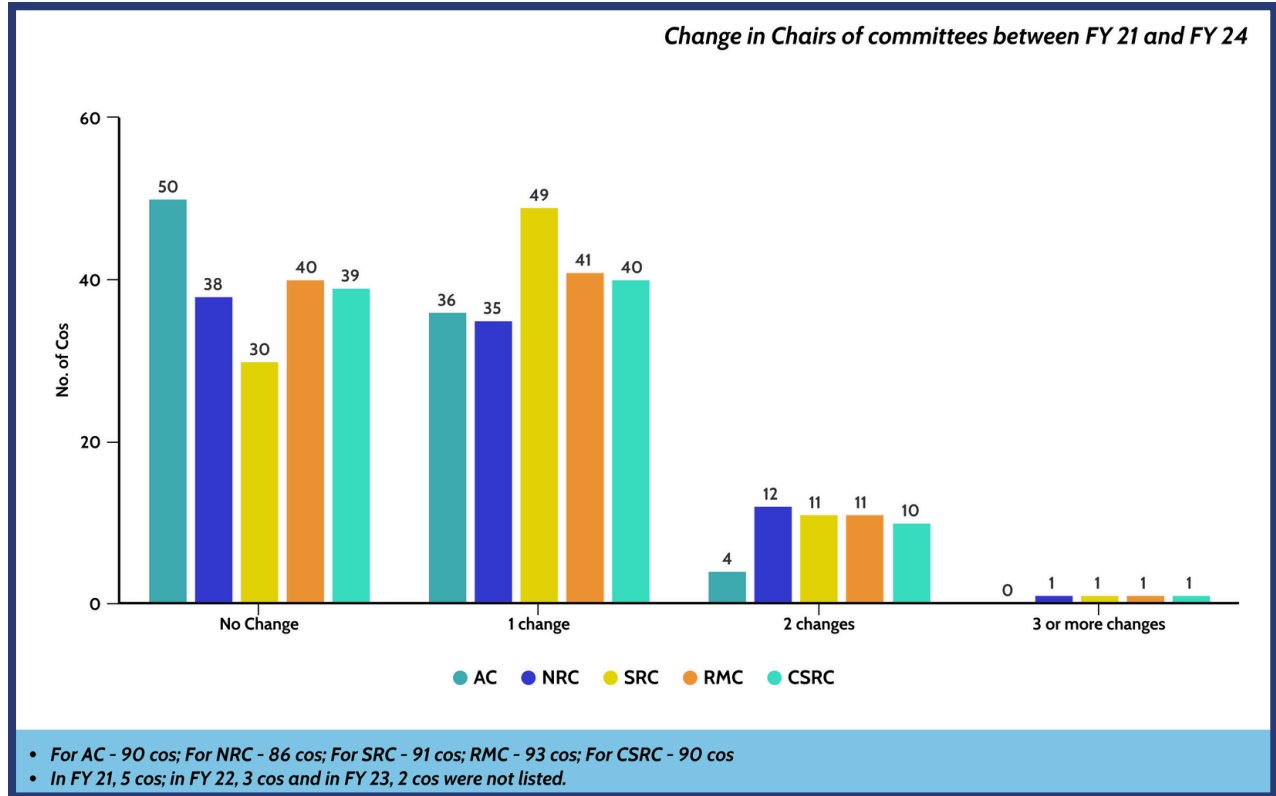
With in-depth discussion being possible at the committee level, rather than the Board level, it is necessary to ensure that all IDs are members of one or more Board committees. If one or more IDs choose(s) to stay away from the membership of Board committees, the information asymmetry among IDs would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



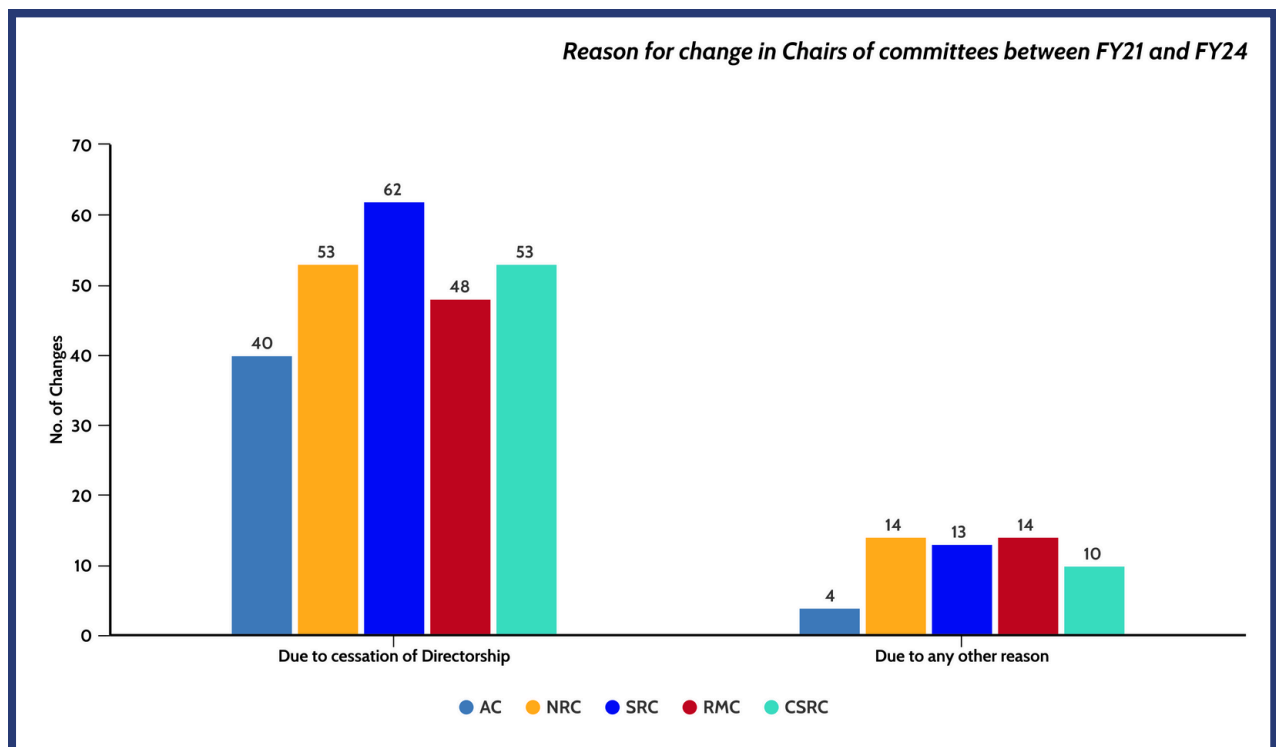
- In the previous 4 FYs, 11 companies continued to have 1 or more of their ID on no committees. This could be a major contributory factor to inter se information asymmetry among IDs.
- In the previous 4 FYs, 6 companies continued to have at least 1 of their IDs on all 5 committees.

## CHANGE IN CHAIRS OF COMMITTEES

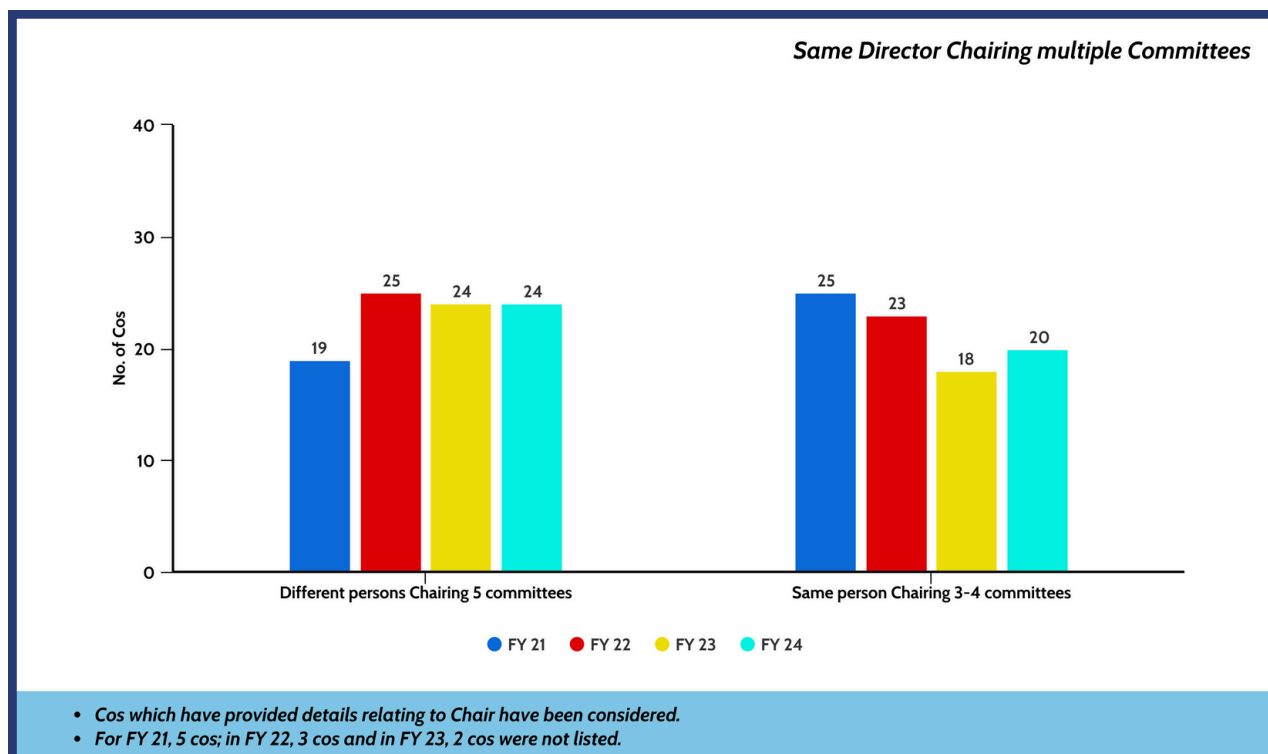
Constituting committees, and making no changes in the membership or to the Chairpersonship of the committees over a long period, prevents a fresh look being given to the remit of the committees, and the way it is addressed. While frequent changes are disruptive, having no change over several years is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



## REASON FOR CHANGES IN CHAIRS OF COMMITTEES

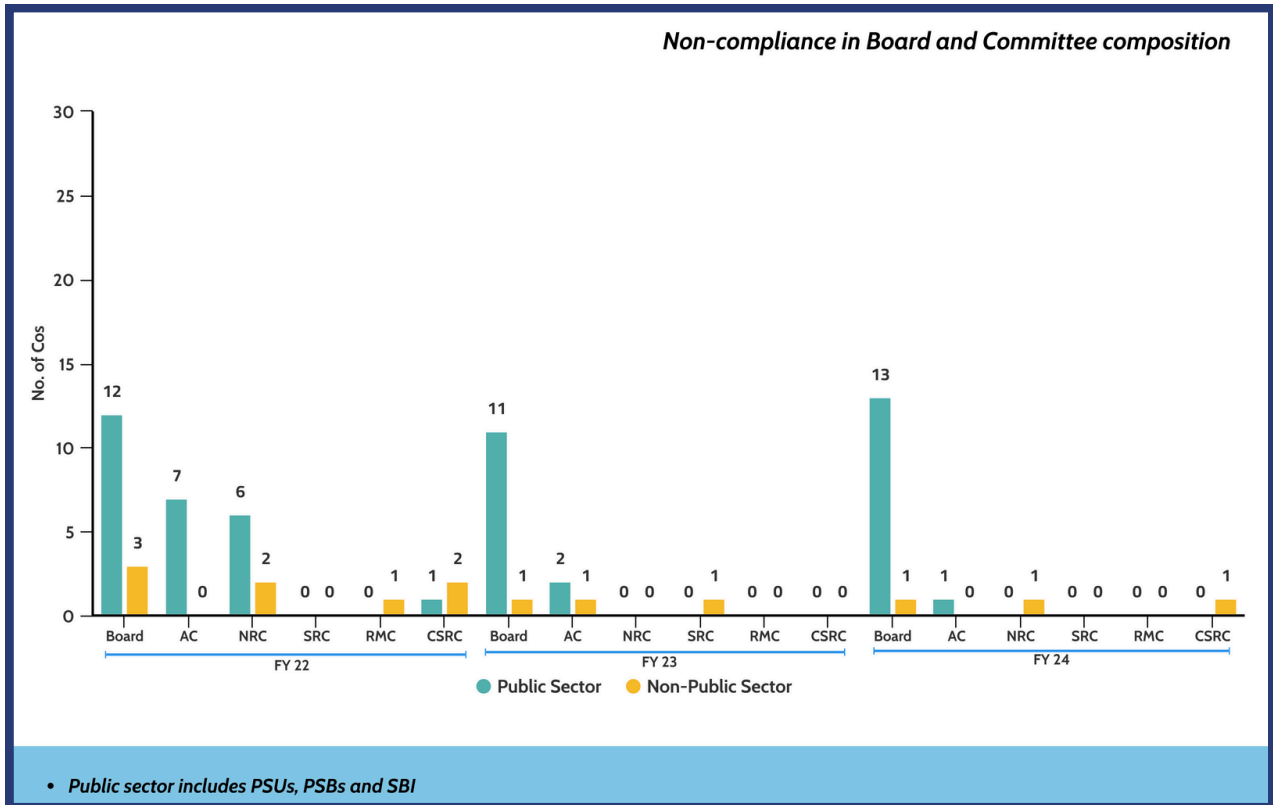


## SAME DIRECTOR CHAIRING MULTIPLE COMMITTEES



- In previous 4 FYs, 8 companies continued to have different Directors chairing each of the 5 mandatory committees.
- In previous 4 FYs, no company had the same Director chairing all 5 mandatory committees. However, in FY 22, FY 23 and FY 24, 1 company had the same Director chairing all 5 mandatory committees.
- In FY 21, FY 22, FY 23 and FY 24, there are 25, 23, 18 and 20 companies respectively which have the same person as the Chair of 3-4 mandatory committees. It is necessary for these companies to examine whether the responsibilities of the same person chairing multiple committees should be reduced so that the concerned Director can provide focussed leadership to a lesser number of committees, while enabling other Directors to assume leadership roles in different committees.

# NON-COMPLIANCE IN COMPOSITION



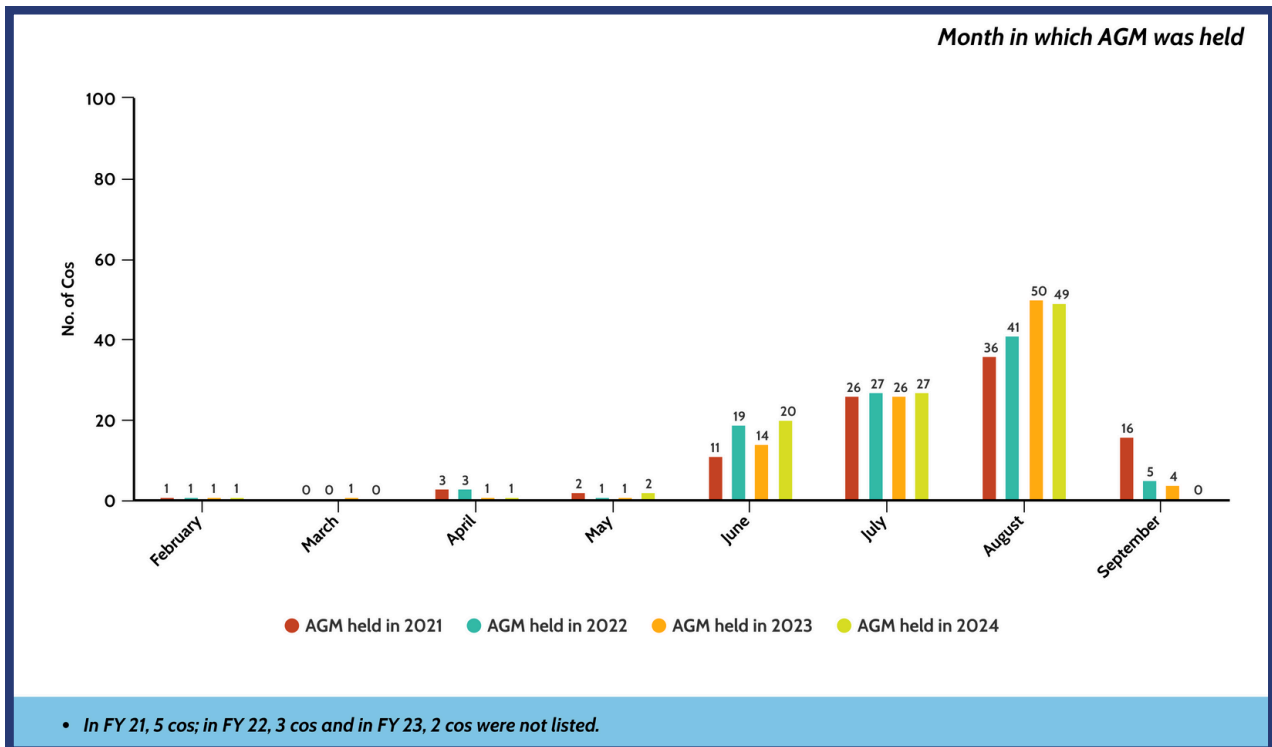
- Board – In all 4 FYs, 9 companies, including 6 PSUs and 1 PSB, continued to have non-compliant composition.
- AC – In all 4 FYs, 1 company (PSB) continued to have non-compliant composition.

# 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).

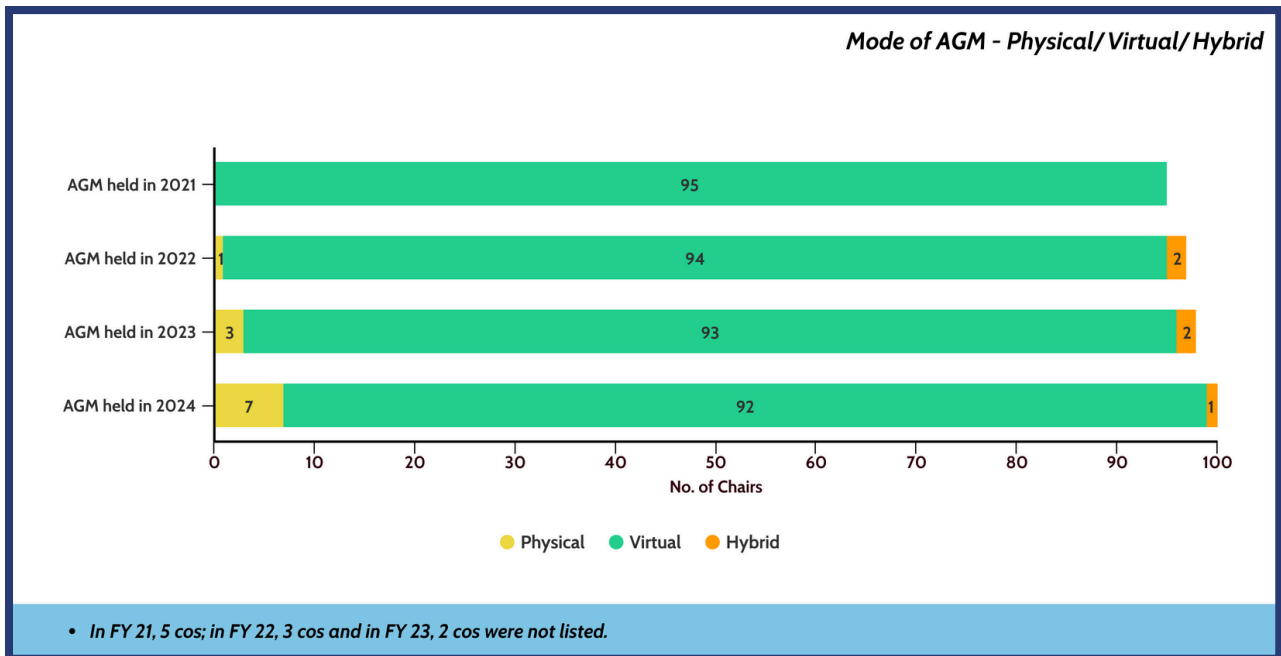
The AGM is the forum in which shareholders get to interact with the Board of Directors and the senior management of the company. It is the only occasion in which a large body of shareholders expresses itself by voting on important resolutions such as the financial statements of the company, the appointment 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 with the Board and management of the company.





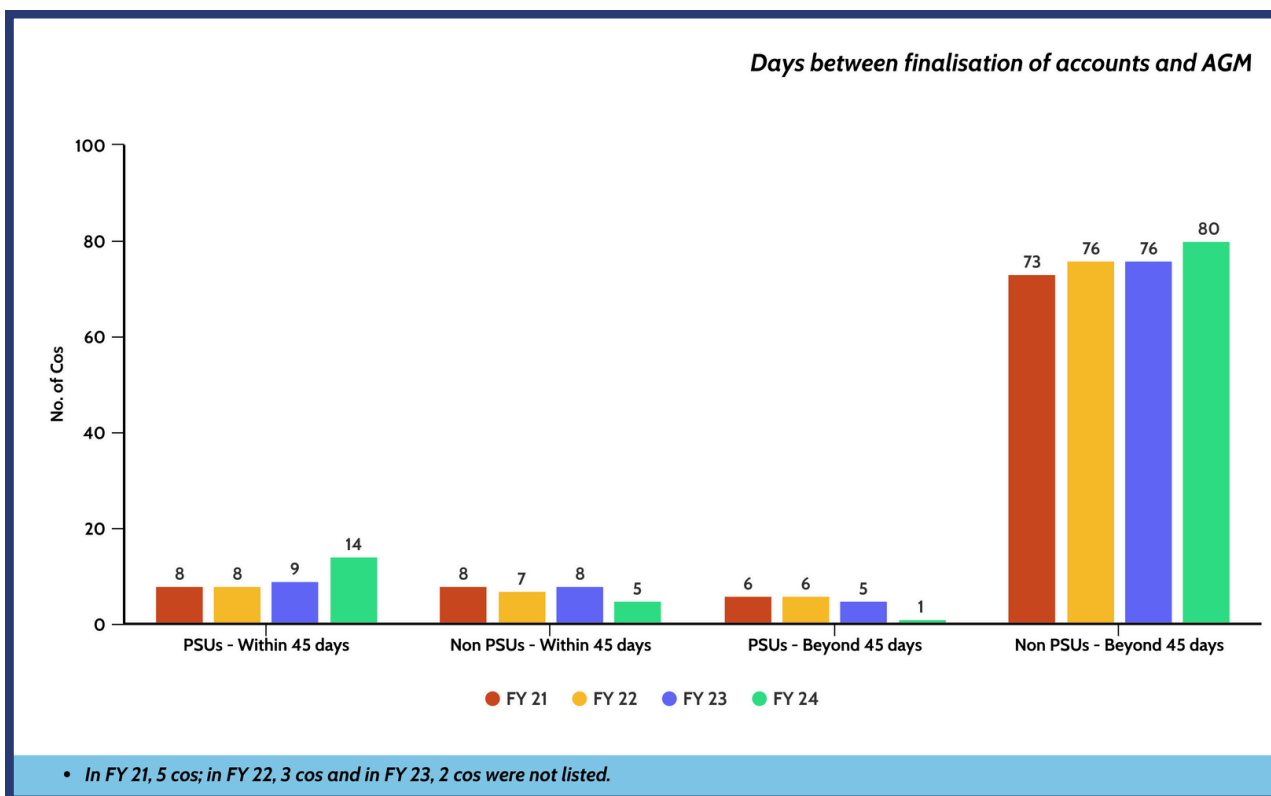
## MODE OF AGM

Post the special dispensation given during the Covid years, companies have developed a comfort level with having only virtual AGMs. The advantages of having an in-person AGM have been resultantly ignored. Ideally, with the view to promoting increased participation, as well as in-person interaction, the hybrid model should be introduced without loss of time.



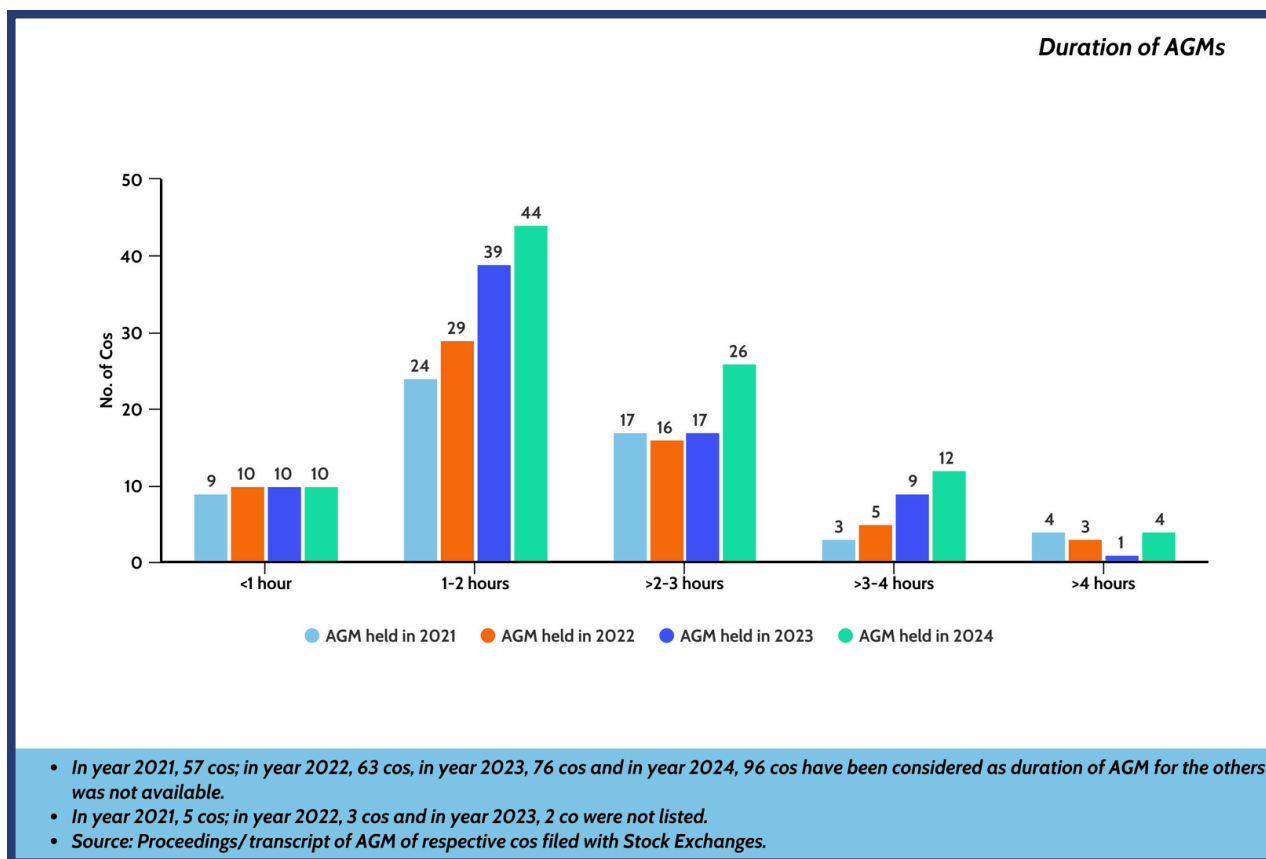
## DURATION BETWEEN FINALISATION OF ACCOUNTS AND DATE OF AGM

It has been noticed that a number of companies hold their AGMs long after the finalisation of accounts. Normally, once the accounts are finalised, it should be the endeavour of Boards and managements to schedule the AGM without any undue delay. Since some companies haven't managed to hold their AGMs, year after year, within 45 days of finalisation of accounts, it should be possible for many others to follow suit, rather than keep the shareholders waiting for unjustifiably longer periods.



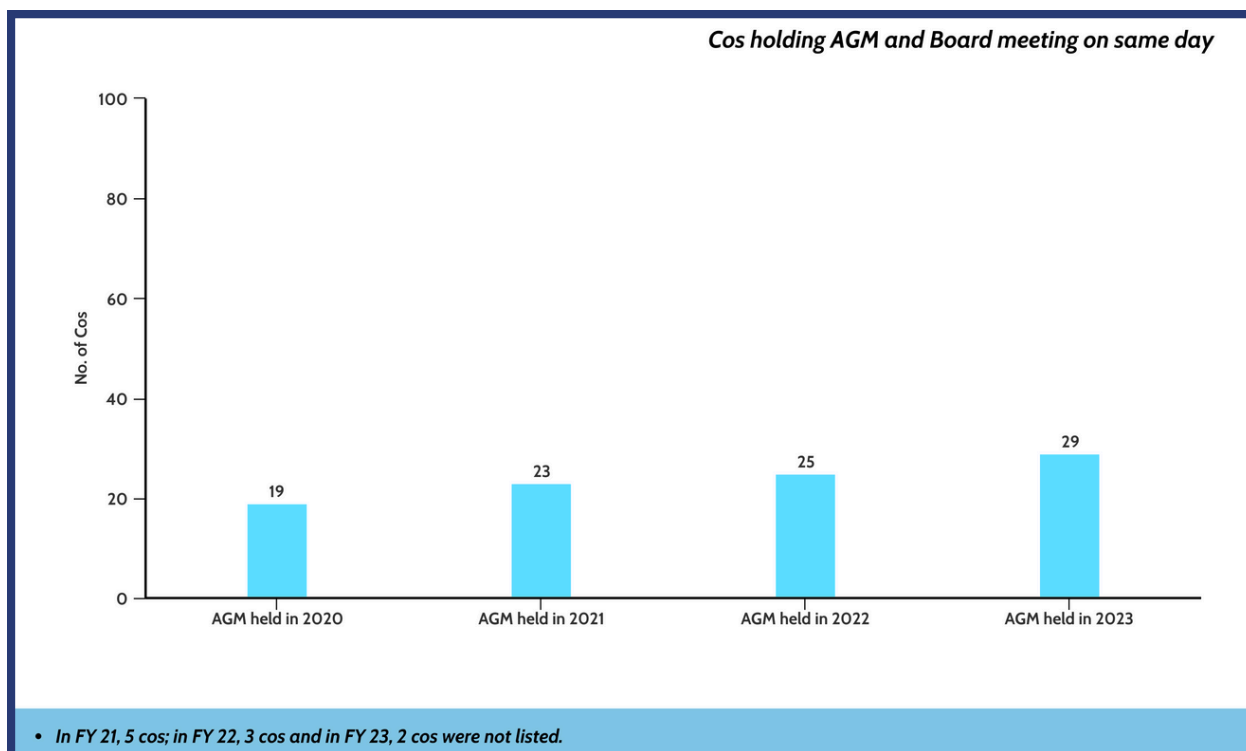
- The maximum duration
  - in FY 21 was 141 days;
  - in FY 22 was 129 days;
  - in FY 23 was 146 days;
  - in FY 24 was 133 days.

## DURATION OF AGMs



- Minimum duration of AGM held in
  - 2021 was 19 minutes (in a PSU),
  - 2022 was 30 minutes,
  - 2023 was 30 minutes in 2 companies,
  - 2024 was 19 minutes.
- Maximum duration of AGM held in
  - 2021 was 4 hours 43 minutes,
  - 2022 was 4 hours 45 minutes,
  - 2023 was 4 hours 25 minutes,
  - 2024 was 4 hours 55 minutes.
- In previous 4 FYs, 2 companies had AGMs lasting less than 1 hour, and 1 company had AGM for more than 4 hours

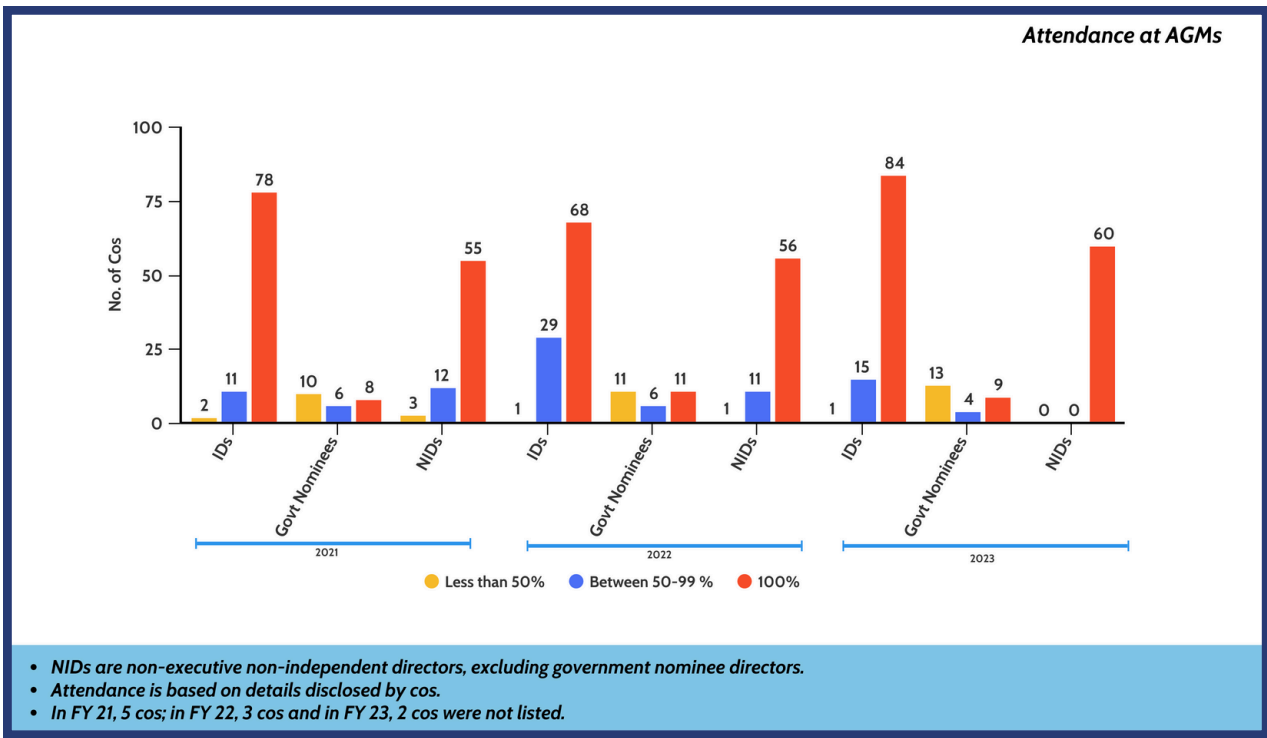
## AGM AND BOARD MEETING ON THE SAME DATE



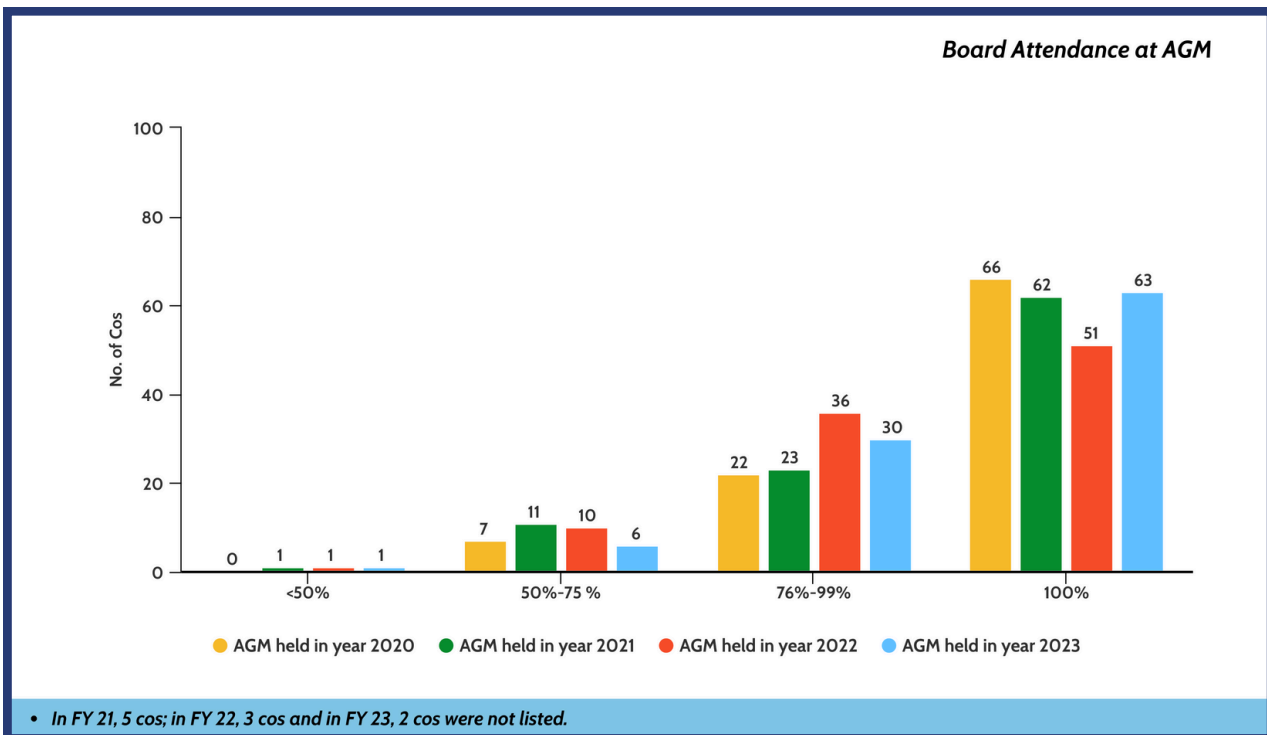
- In previous 4 FYs, 12 companies had a meeting of their Boards on the date of the AGM, conducting AGM and Board meeting on the same date. This is presumably a method by which the attendance of Directors at the AGM is maximised.

## 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.



- In AGM held in 2021, 6 companies had no IDs at the time of AGM, and Government Nominee Directors of 9 companies had zero attendance.
- In AGM held in 2022, Government Nominee Directors of 10 companies had zero attendance.
- In AGM held in 2023, Government Nominee Directors of 11 companies had zero attendance.



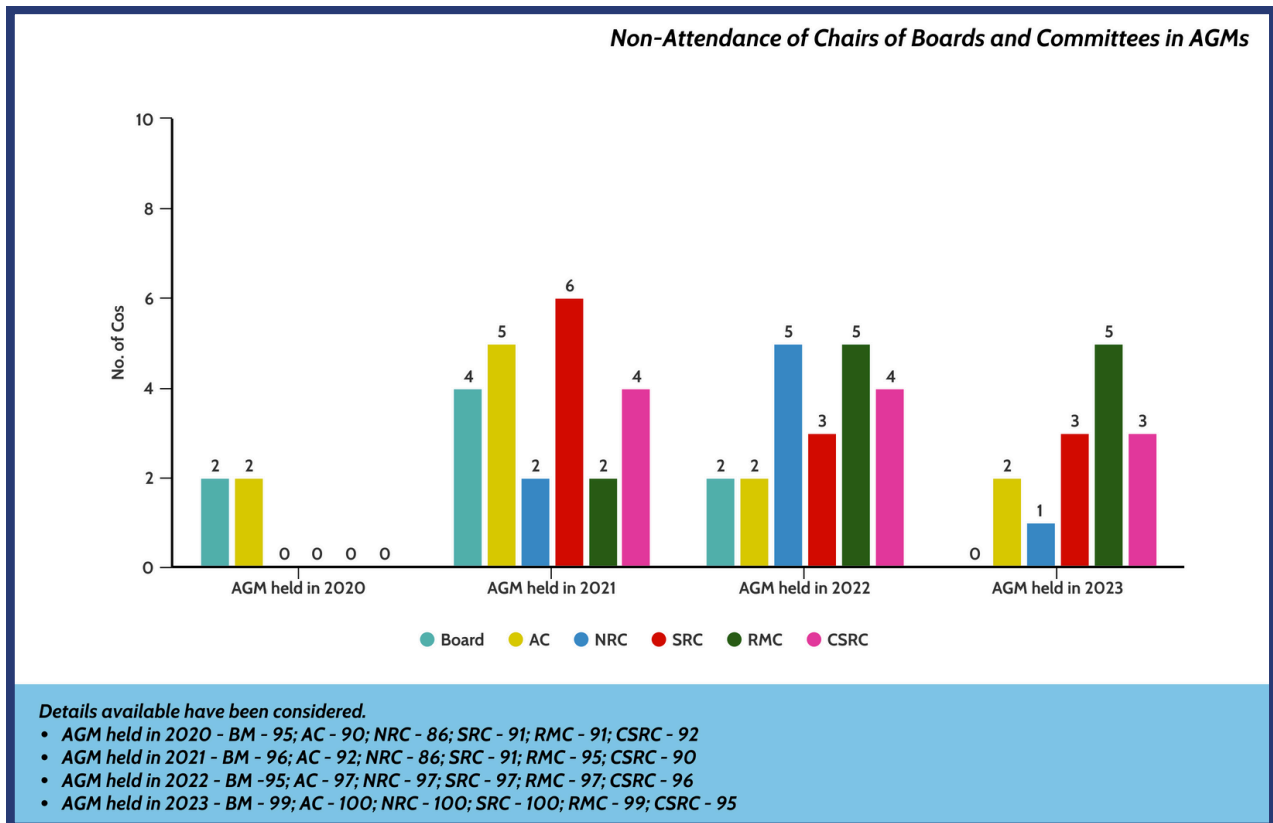
- Lowest attendance in AGM held in
  - 2020, was 57%.
  - 2021, was 25%.
  - 2022, was 44.44%.
  - 2023, was 44.44%.

## ATTENDANCE OF CHAIRS OF BOARDS AND COMMITTEES AT AGMs

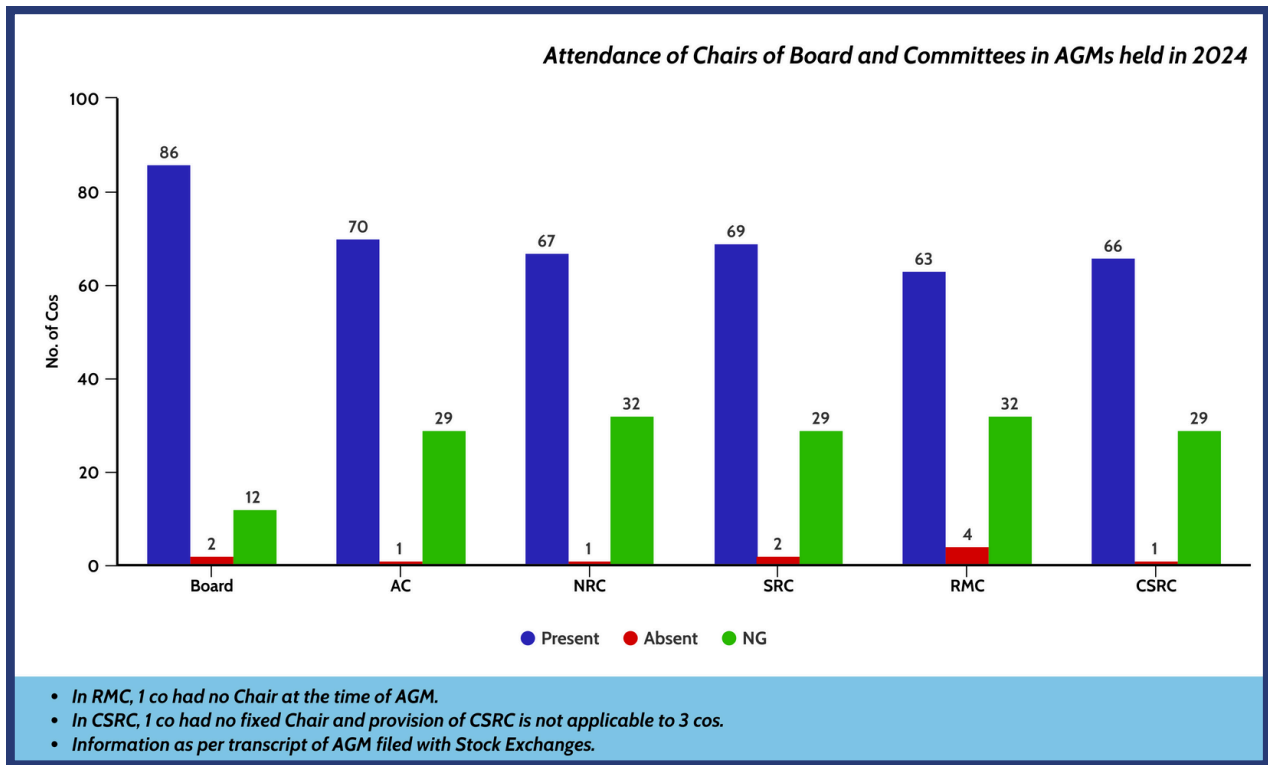
- As per Section 178(7) of the Companies Act, 2013, the chairperson of each of the committees constituted under this section (NRC and SRC) or, in his absence, any other member of the committee authorised by him in this behalf shall attend the general meetings of the company.
- As per Regulation 18(1)(d) of SEBI LODR Regulations, 2015, the chairperson of the audit committee shall be an independent director and he/ she 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.
- 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.

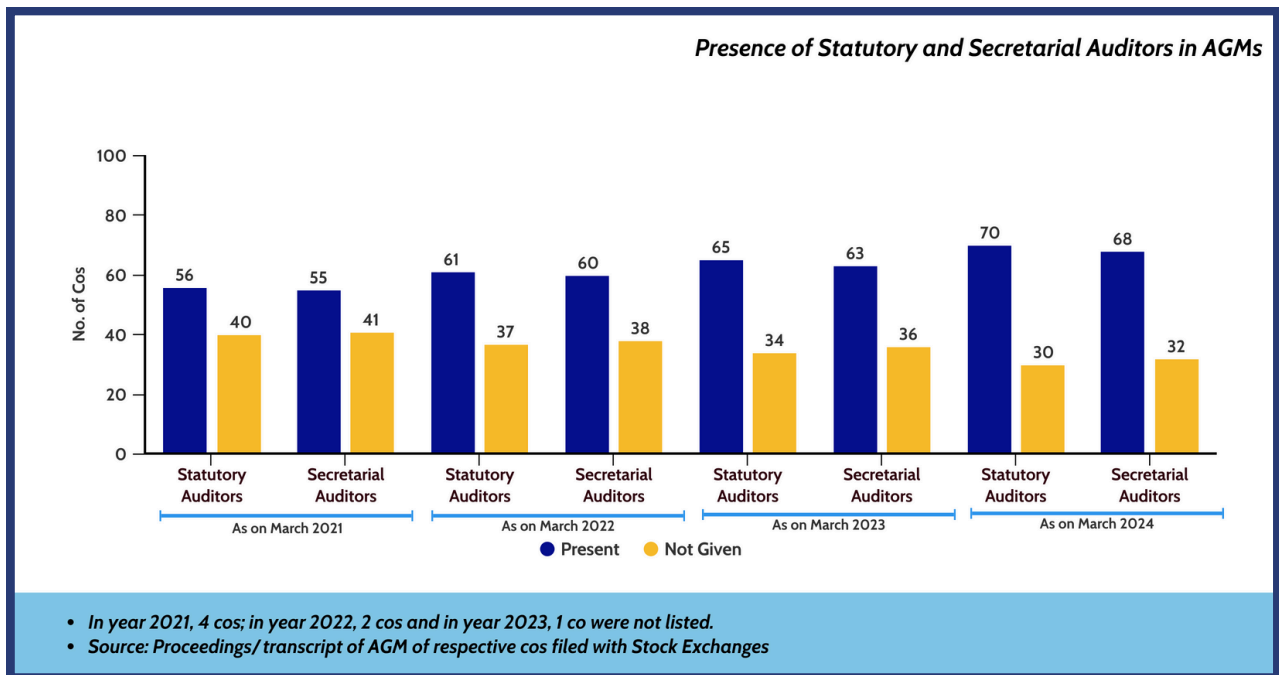
Further, while law and regulations prescribe that the Chairs of the AC and SRC should be present at the AGMs, they seem to be less prescriptive in the case of the Chair of NRC by providing that the Chair of NRC may be present at the AGM. There is no similar provision in law or in regulation regarding 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.



## ATTENDANCE OF CHAIRS OF BOARDS AND COMMITTEES AT AGMs (HELD IN 2024)



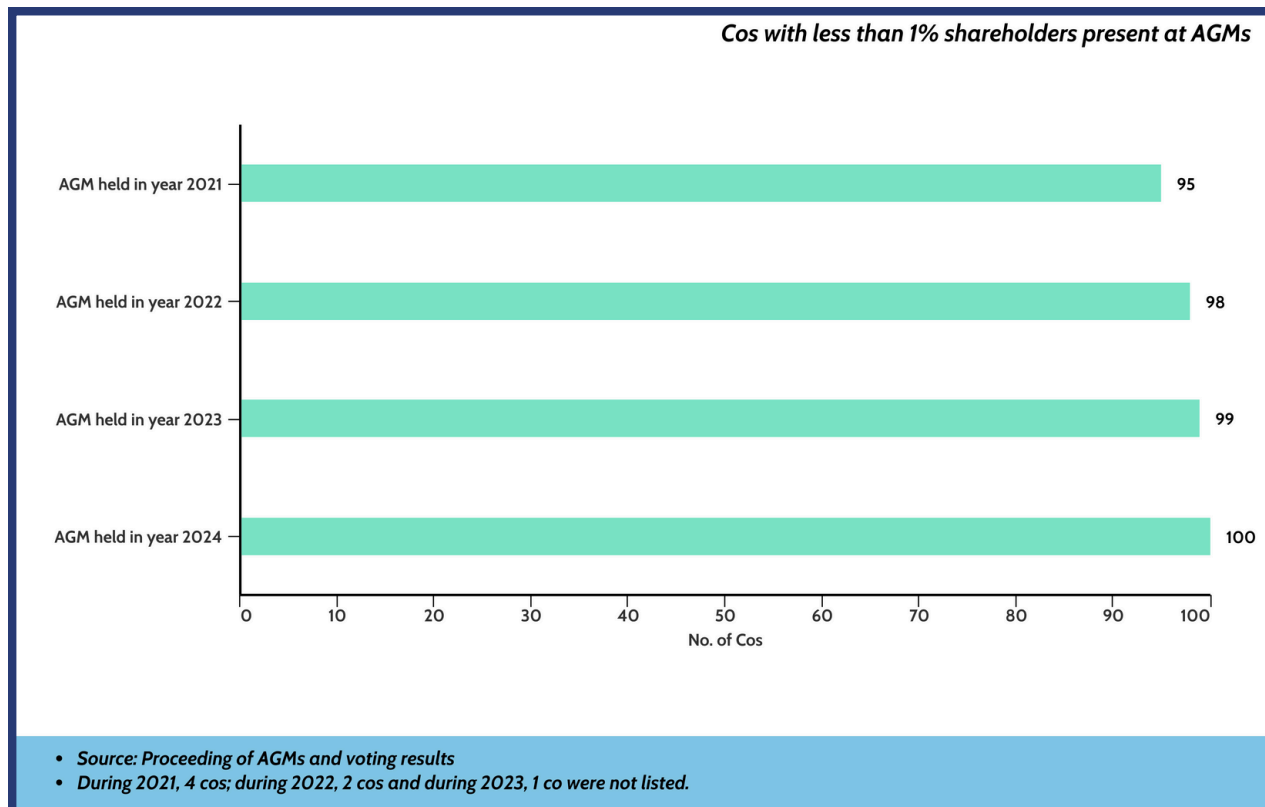
## PRESENCE OF STATUTORY AND SECRETARIAL AUDITORS IN AGMs



- In previous 4 FYs, Statutory Auditors of 51 companies and Secretarial Auditors of 49 companies continued to be present at the AGMs.

## ATTENDANCE OF SHAREHOLDERS IN AGMs

While it is understood that limitations of space and connectivity would stand in the way of significantly improved participation in AGMs, it does not fully explain the abysmally low levels of participation.

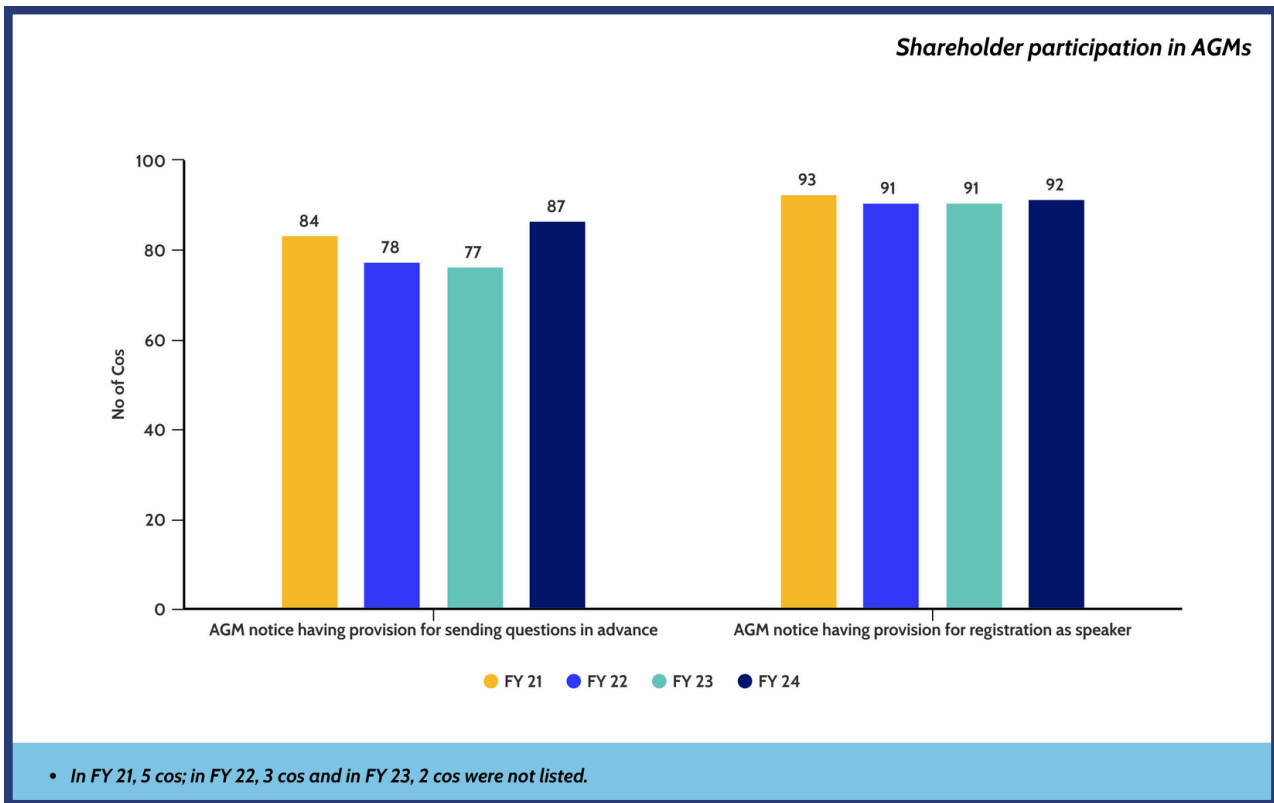


- Highest percentage of shareholders who attended the AGMs
  - in year 2021 – 1.068%,
  - in year 2022 – 0.398%,
  - in year 2023 – 0.24%,
  - in year 2024 – 0.183%.



## 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.



- In previous 4 FYs, 1 company did not provide either of the facilities to its shareholders.
- In previous 4 FYs, 65 companies and 83 companies continued to provide the facility to shareholders to send their questions in advance and to register as a speaker respectively.

# RESOLUTIONS

## VOTING PATTERN ON RESOLUTIONS IN THE LAST 1 YEAR

- In the shareholder approvals sought in FY 21, 717 resolutions were proposed, and all resolutions got the requisite shareholder support.
- In the shareholder approvals sought in FY 22, 850 resolutions were proposed, of which 2 resolutions did not get the requisite shareholder support. These were related to
  - 1 on re-appointment of MD
  - 1 on employee incentive scheme
- In the shareholder approvals sought in FY 23, 1232 resolutions were proposed, of which 3 resolutions, all relating to RPTs, did not get the requisite shareholder support.
- In the shareholder approvals sought in FY 24, 1077 resolutions were proposed, of which 1 resolution, relating to RPT, did not get the requisite shareholder support.

## RESOLUTIONS RELATING TO APPOINTMENT/ REAPPOINTMENT OF IDs

- In the shareholder approvals sought in FY 21, 74 resolutions were proposed for appointment/reappointment of IDs, out of which 1 ID was appointed with less than 80% shareholders voting in favour of the resolution.
- In the shareholder approvals sought in FY 22, 116 resolutions were proposed for appointment/reappointment of IDs, out of which 1 ID was appointed with less than 80% shareholders voting in favour of the resolution.
- In the shareholder approvals sought in FY 23, 169 resolutions were proposed for appointment/reappointment of IDs, out of which 1 ID was appointed with less than 80% shareholders voting in favour of the resolution.
- In the shareholder approvals sought in FY 24, 116 resolutions were proposed for appointment/reappointment of IDs, out of which 1 ID was appointed with less than 80% shareholders voting in favour of the resolution.

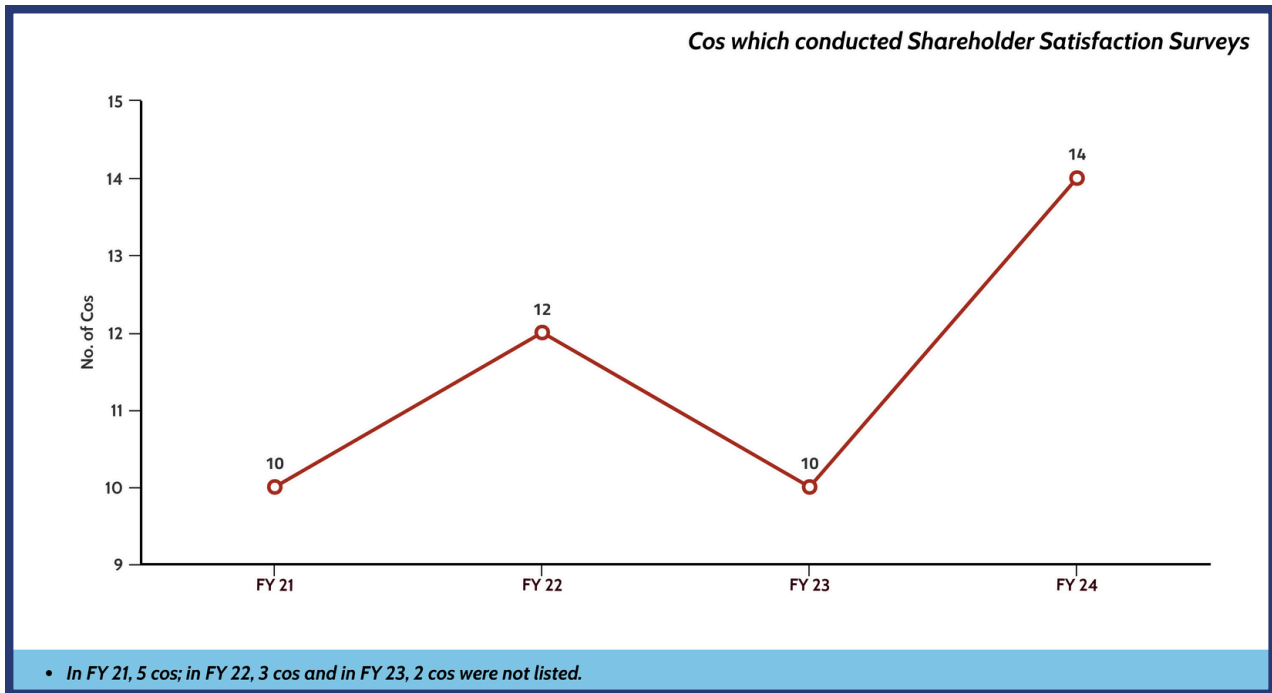
## RESOLUTIONS RELATING TO APPOINTMENT OF WTD

Executive compensation should have a significant component of variable pay, premised on performance measured against predetermined KRAs. Ideally, a variable element should not be less than the fixed element in percentage terms while determining the compensation. Making these details available in the public domain will promote a sense of confidence in the company, this being an important task of the NRC.

- As on March 31, 2021, of 249 WTDs on Boards, reference to compensation was made in the appointment resolutions of 160 WTDs. Of these, 104 resolutions referred to variable pay or profit linked commission.
- As on March 31, 2022, of 272 WTDs on Boards, reference to compensation was made in the appointment resolutions of 166 WTDs. Of these, 111 resolutions referred to variable pay or profit linked commission.
- As on March 31, 2023, of 277 WTDs on Boards, reference to compensation was made in the appointment resolutions of 175 WTDs. Of these, 119 resolutions referred to variable pay or profit linked commission.
- As on March 31, 2024, of 284 WTDs on Boards, reference to compensation was made in the appointment resolutions of 174 WTDs. Of these, 120 resolutions referred to variable pay or profit linked commission.

# 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.



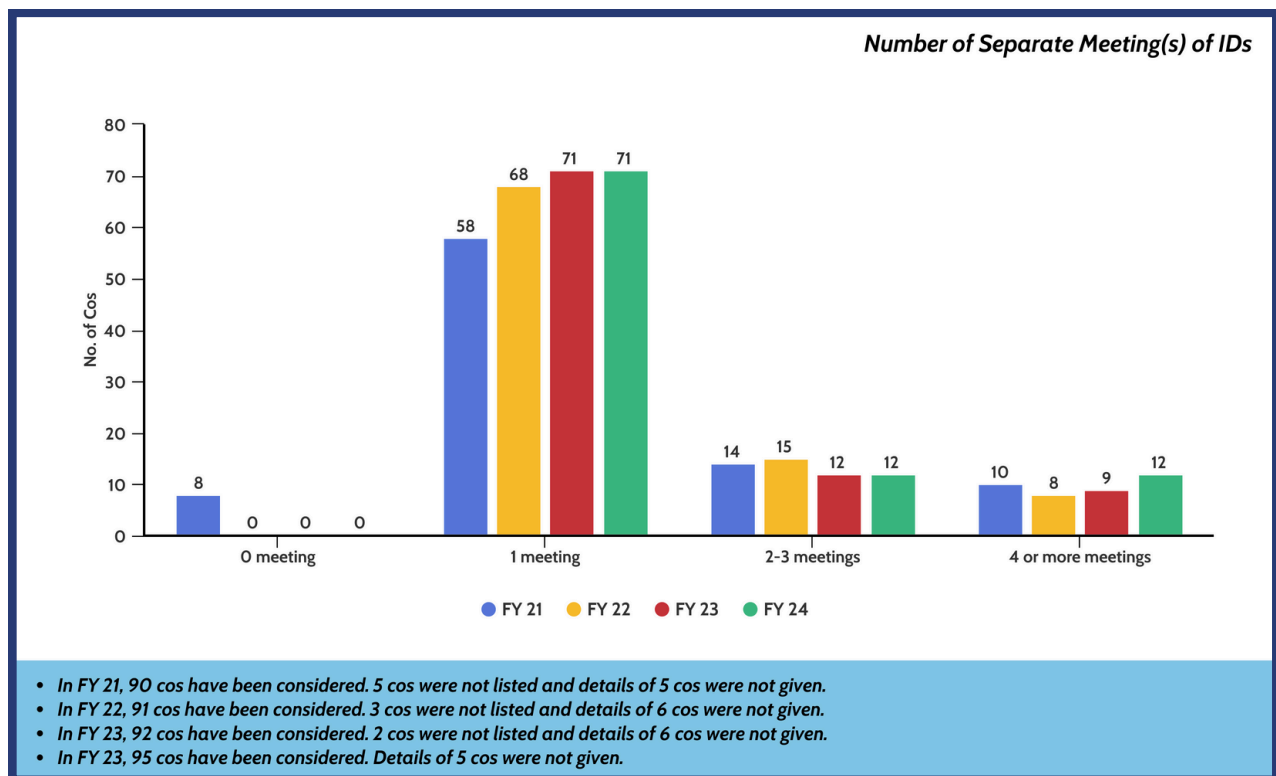
- In previous 4 FYs, 4 companies are common.

# SEPARATE MEETING OF IDs

- As per Schedule IV (VII) (1) 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.
- As per Regulation 25(3) of SEBI LODR Regulations, 2015, the independent directors of the listed entity shall hold at least one meeting in a financial year, without the presence of non-independent directors and members of the management and all the independent directors shall strive to be present at such meeting.

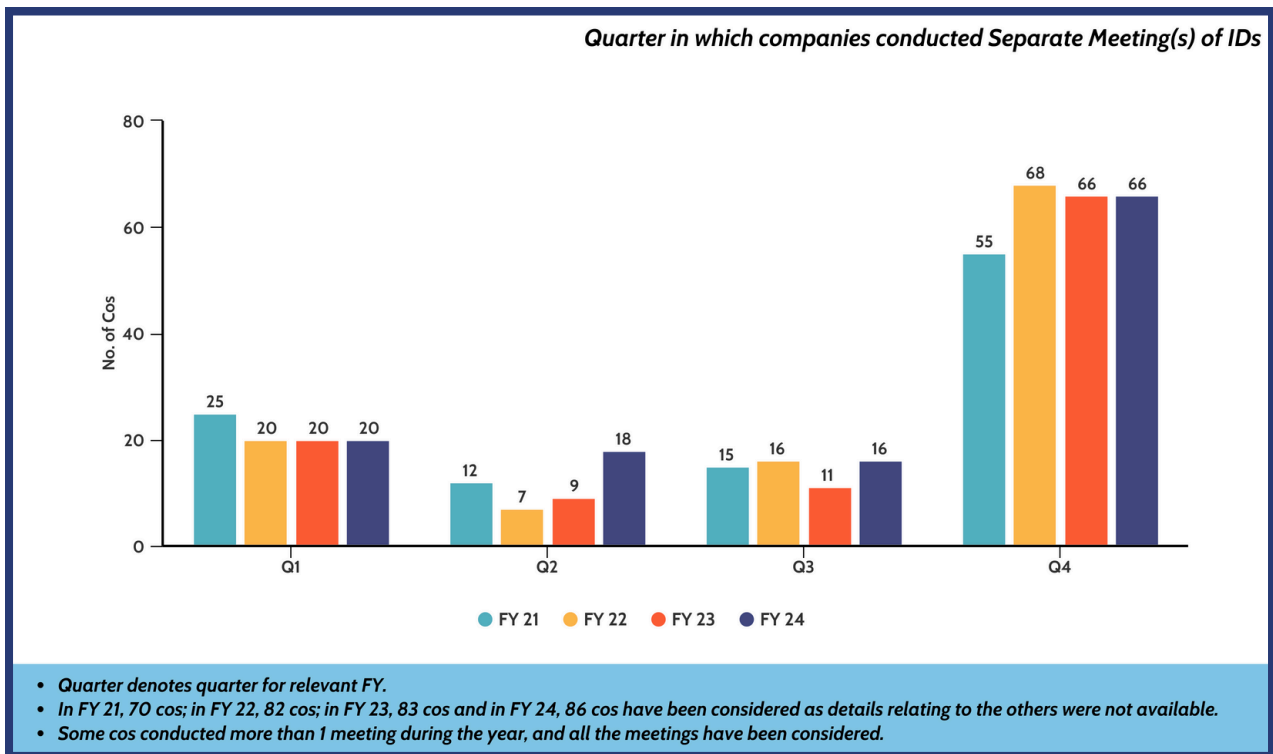
The prescription that the separate meeting of IDs should be held at least once in a FY, has led to some companies having only one such meeting conducted each year. This meeting of IDs is a forum for exchange of ideas, and for articulating shared concerns and suggestions that can be projected to management.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

## NUMBER OF MEETINGS



- Highest number of meetings in all 4 FYs was 5.
- In all 4 FYs, 48 companies continued to have only 1 such meeting.

## MONTH(S) IN WHICH HELD



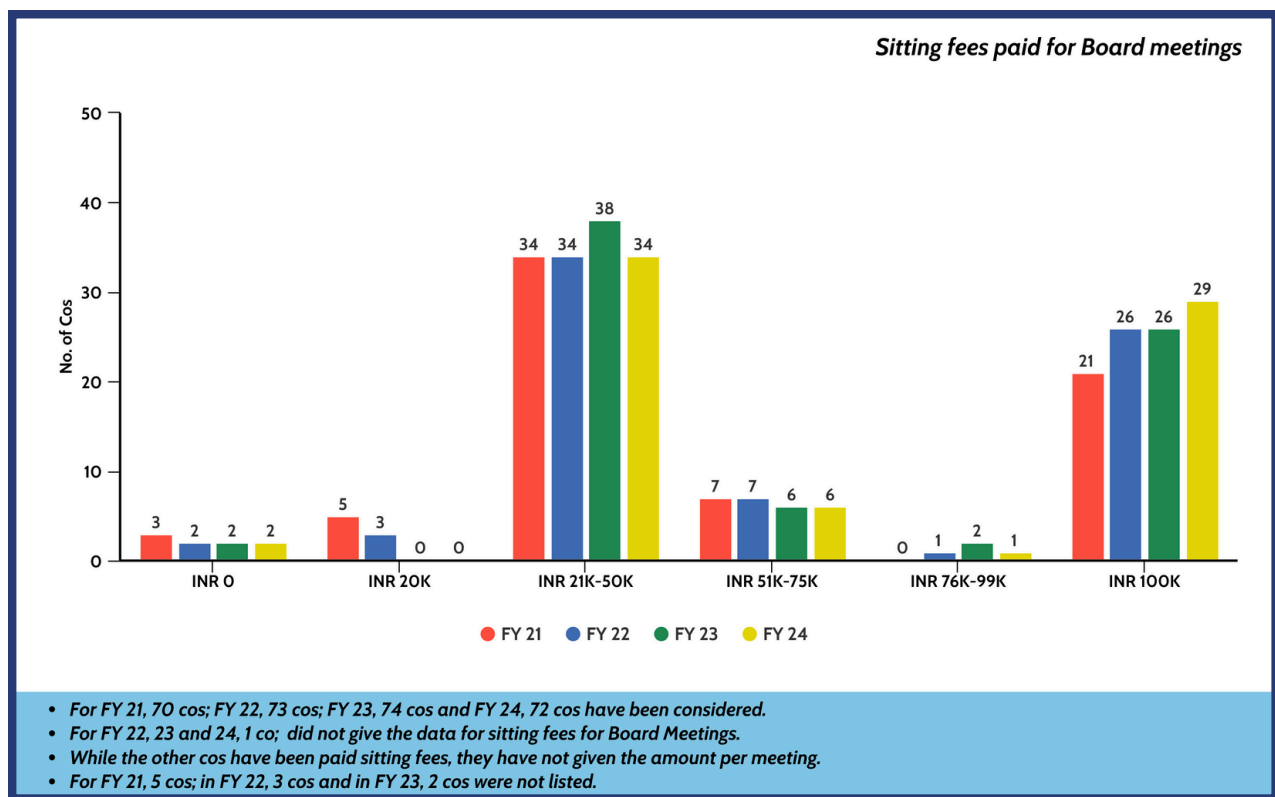
- In FY 21, FY 22, FY 23 and FY 24, 37, 54, 55 and 52 companies had only 1 meeting in Q4.
- In all 4 FYs, 33 companies continued to have only 1 meeting in the month of March.

# COMPENSATION TO DIRECTORS

## SITTING FEES PAID FOR BOARD MEETINGS

- 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 provision (mentioned above), especially the reference to “woman directors” is interesting, to say the least.

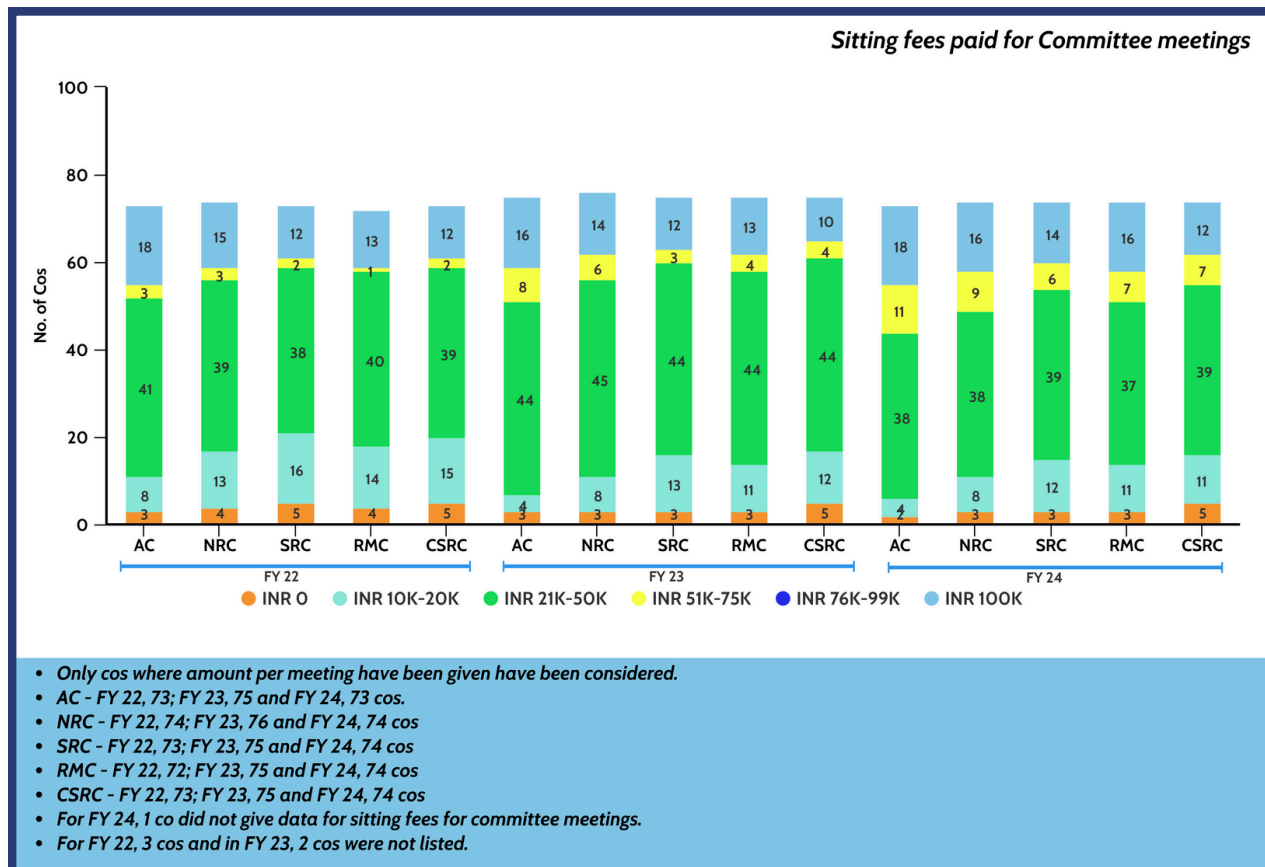


Taking into account the vastly increased responsibilities of the Board and the Directors, as well as the longer number of hours required for productive Board meetings, it would be appropriate for more companies to increase the sitting fees to INR 1 lakh per meeting. This might also persuade persons who can add value to the Board, but are staying away from Boards, to reconsider their position vis-à-vis Board directorship.

- In all 4FYs, 4 companies paid additional sitting fees to the Chair of the Board/ committees. In previous 4 FYs, 3 companies were common.

## SITTING FEES PAID FOR COMMITTEE MEETINGS

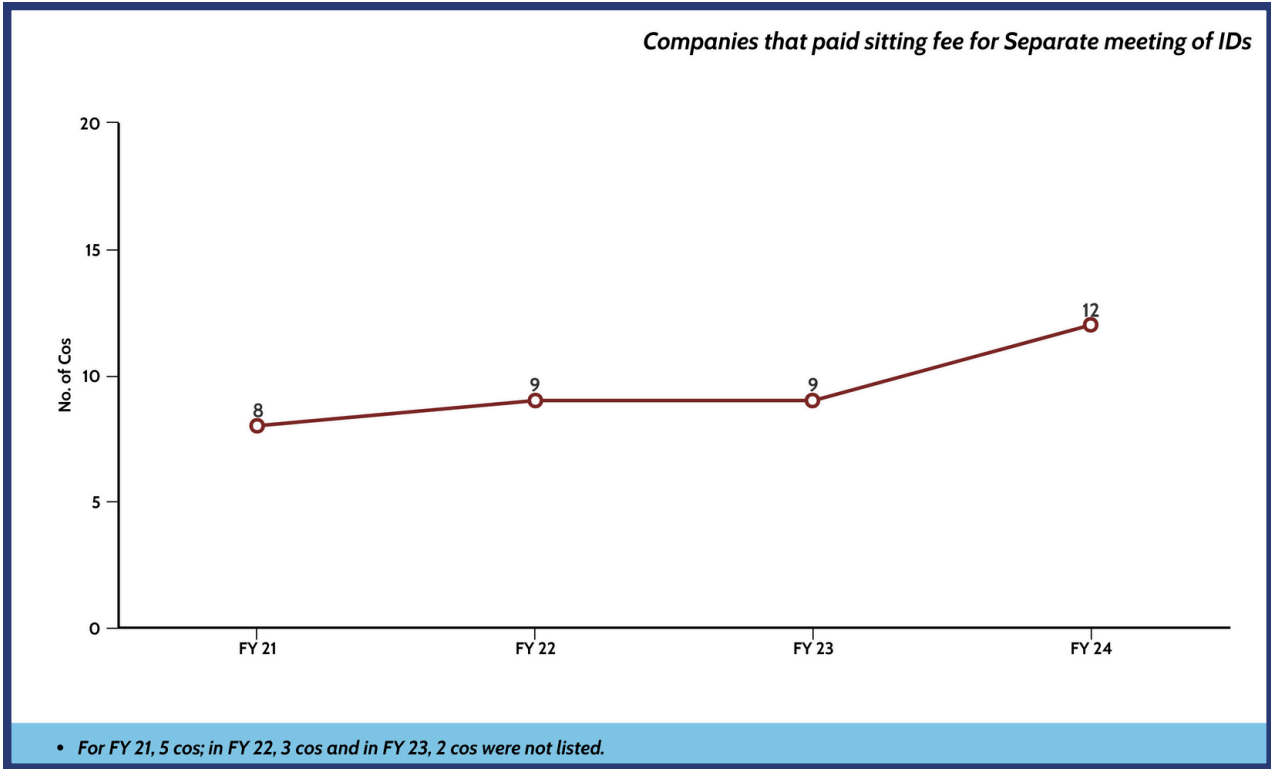
The work of the Board-level committees, especially that of the AC and the NRC, has increased substantially over the years. In addition, RMC, both because of its newness as well as its vast coverage, is also time-taking and requires careful attention. Stated differently, these 3 Board committees should take almost as much time, and at least as much incisive analysis, as meetings of the Board. Accordingly, the time has come to enhance the sitting fees for the meetings of at least these committees significantly, keeping the statutory limit in mind.



- Following companies have paid the maximum permissible amount of INR 1 lakh per meeting for each of the 5 mandatory committees:
  - FY 21, 11 companies.
  - FY 22, 12 companies.
  - FY 23, 10 companies.
  - FY 24, 12 companies.
  - In all 4 FYs, 8 companies are common.

## SITTING FEES PAID FOR SEPARATE MEETING OF IDs

The separate meetings of IDs are meetings that have their origin in the statute. Hence not paying sitting fees for these meetings detracts from the seriousness attached by the Board and the management to such meetings.



- In previous 4 FYs, 7 companies are common.
- In FY 21, FY 22, FY 23 and FY 24, 1, 2, 2, and 4 companies respectively paid the maximum permissible amount of INR 1 lakh per meeting.



## PROFIT LINKED COMMISSION

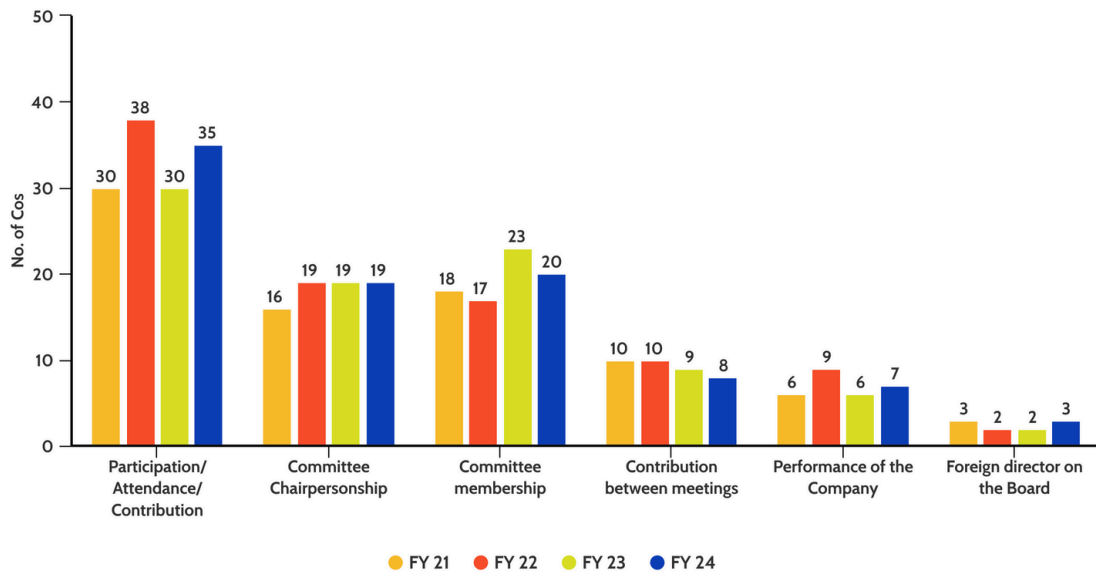
- *The second proviso of Section 197(1) of the Companies Act, 2013 provides as under:  
Provided further that, except with the approval of the company in general meeting by a special resolution, —  
(ii) the remuneration payable to directors who are neither managing directors nor whole-time directors shall not exceed—  
(A) one percent of the net profits of the company, if there is a managing or whole-time director or manager.  
(B) three percent of the net profits in any other case.*
- *As per Rule 6 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, relating to parameters for consideration of remuneration, the company shall have regard to the following matters, namely:-  
(1) the Financial and operating performance of the company during the three preceding financial years.  
(2) the relationship between remuneration and performance.  
(3) the principle of proportionality of remuneration within the company, ideally by a rating methodology which compares the remuneration of directors to that of other directors on the board who receives remuneration and employees or executives of the company.  
(4) whether remuneration policy for directors differs from remuneration policy for other employees and if so, an explanation for the difference.  
(5) the securities held by the director, including options and details of the shares pledged as at the end of the preceding financial year.*
- *With the notification dated June 15, 2015, Section 197 is not applicable on government companies.*
- *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 profit linked commission to different categories of Directors. While the statutory ceiling for the amount of profit linked commission 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 profit linked commission paid so that Directors of acceptable quality are enthused to join Boards, and to stay on.

The payment of profit linked commission, 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.

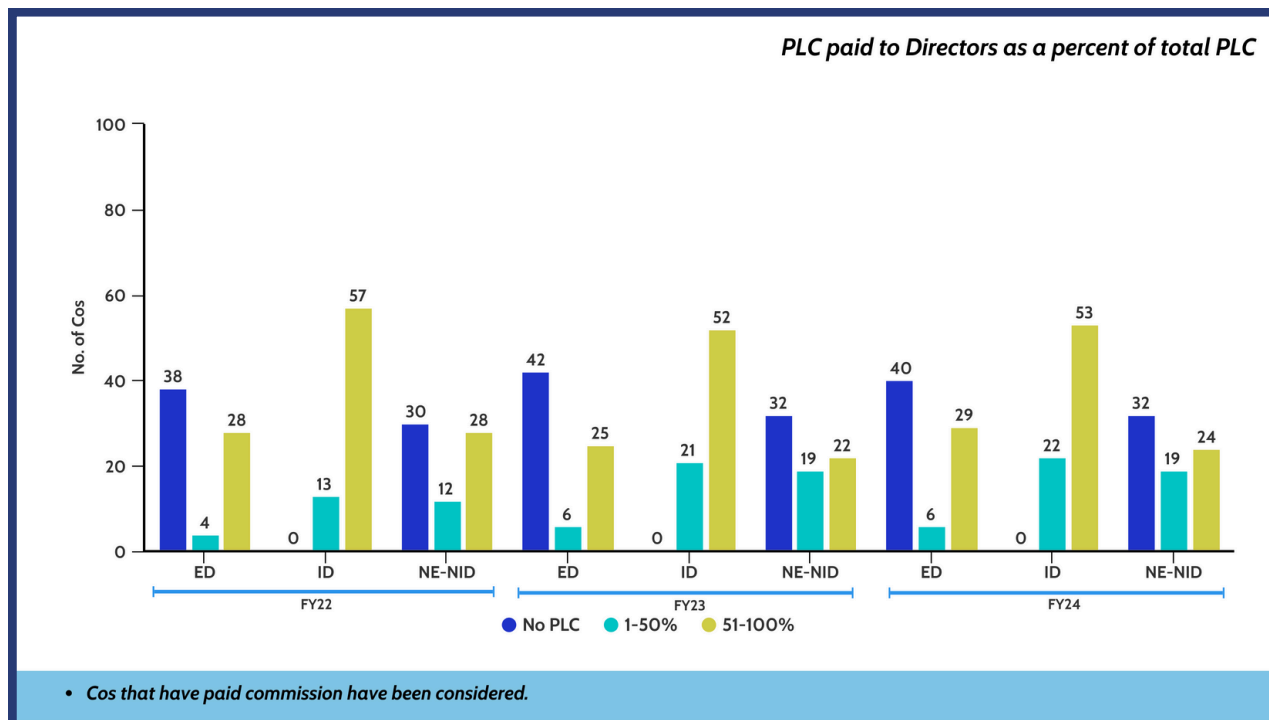
**Top 6 parameters identified by companies for payment of PLC**



- In FY 21, 5 cos; in FY 22, 3 cos and in FY 23, 2 cos were not listed.
- Some cos have not paid commission, but have given parameters. They have been considered.
- In FY 21, 57 cos have been considered.
- In FY 22, 59 cos have been considered.
- In FY 23, 63 cos have been considered.
- In FY 24, 64 cos have been considered.

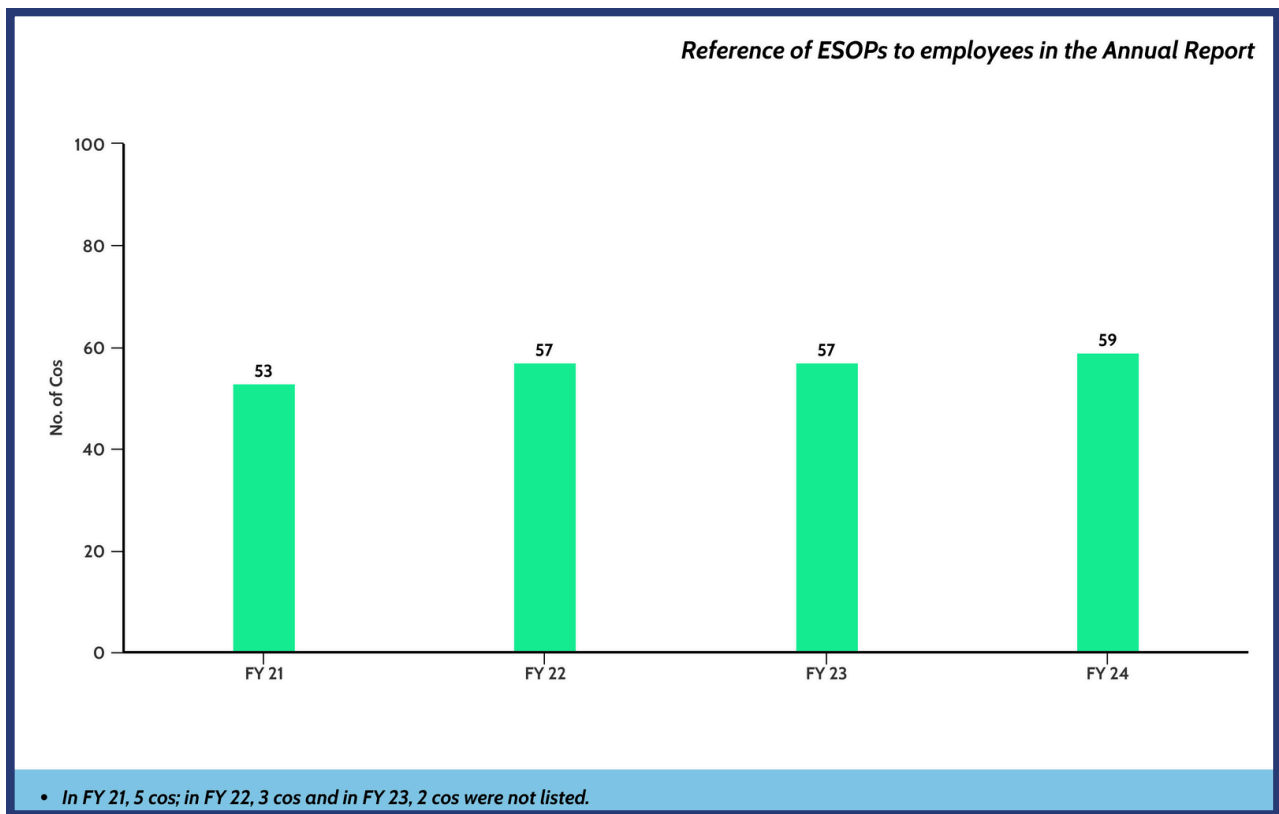
- 30 companies have been excluded-
  - 12 banks (including SBI) and 3 insurance companies are governed by RBI/ IRDAI stipulations/ other Acts and so have been excluded.
  - 15 PSUs have not been considered.

## PERCENTAGE OF PROFIT LINKED COMMISSION PAID TO DIRECTORS



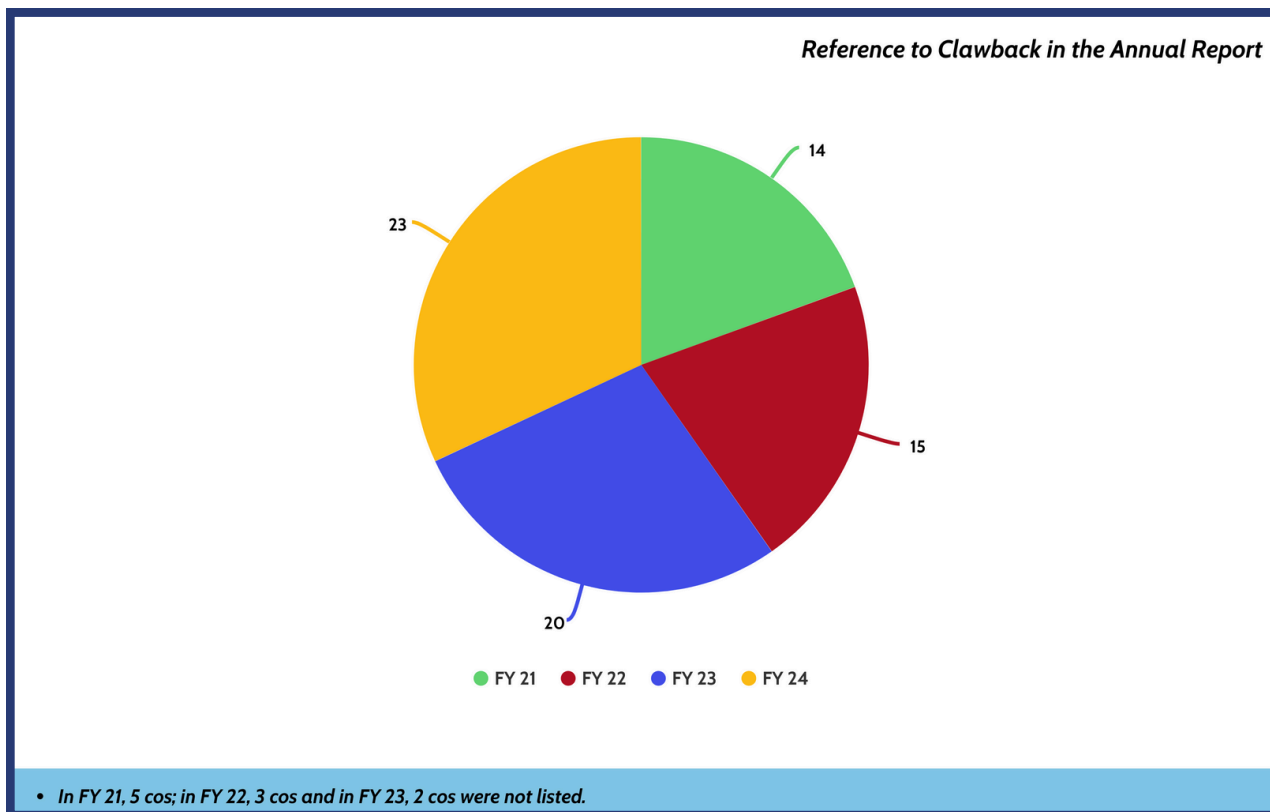
- Banks (including PSBs) and insurance companies are governed by RBI/ IRDAI stipulations and so have been excluded.
- PSUs have not been considered.
- In FY 22,
  - 3 NIDs each in 3 companies were paid PLC amounting to 40-50% of the total.
  - 2 NIDs each in 2 companies were paid more than 50% of the total PLC.
  - 17 companies paid 100% PLC to IDs. 1 company paid 3.78% to IDs, and 94.9% to WTDs.
- In FY 23,
  - 1 NID each in 2 companies were paid PLC amounting to 45-50% of the total.
  - 1 NID in 1 company was paid more than 50% of the total PLC.
  - 22 companies paid 100% PLC to IDs. 1 company paid 0.78% to IDs, and 99% to WTDs.
- In FY 24,
  - 4 NIDs in 4 companies each were paid PLC amounting to 40-50% of the total.
  - 1 NID each was paid more than 50% of the total PLC.
  - 14 companies paid 100% PLC to IDs. 1 company paid 3.11% to IDs, and 95.39% to WTDs.
- The highest % of total PLC paid to 1 NID in FY 22, FY 23 and FY 24 was 67.08%, 70.26%, and 59.79% respectively.
- No company paid 100% PLC to WTDs in all 3 FYs.

## ESOP AND/OR VARIABLE PAY TO EXECUTIVE DIRECTORS



- In previous 4 FYs, 52 companies continued to disclose ESOP related details.
- In previous 4 FYs, 85 companies continued to disclose details relating to provision of variable pay.
- In previous 4 FYs, 50 companies continued to disclose details relating to both.

## REFERENCE TO CLAWBACK OF SALARY

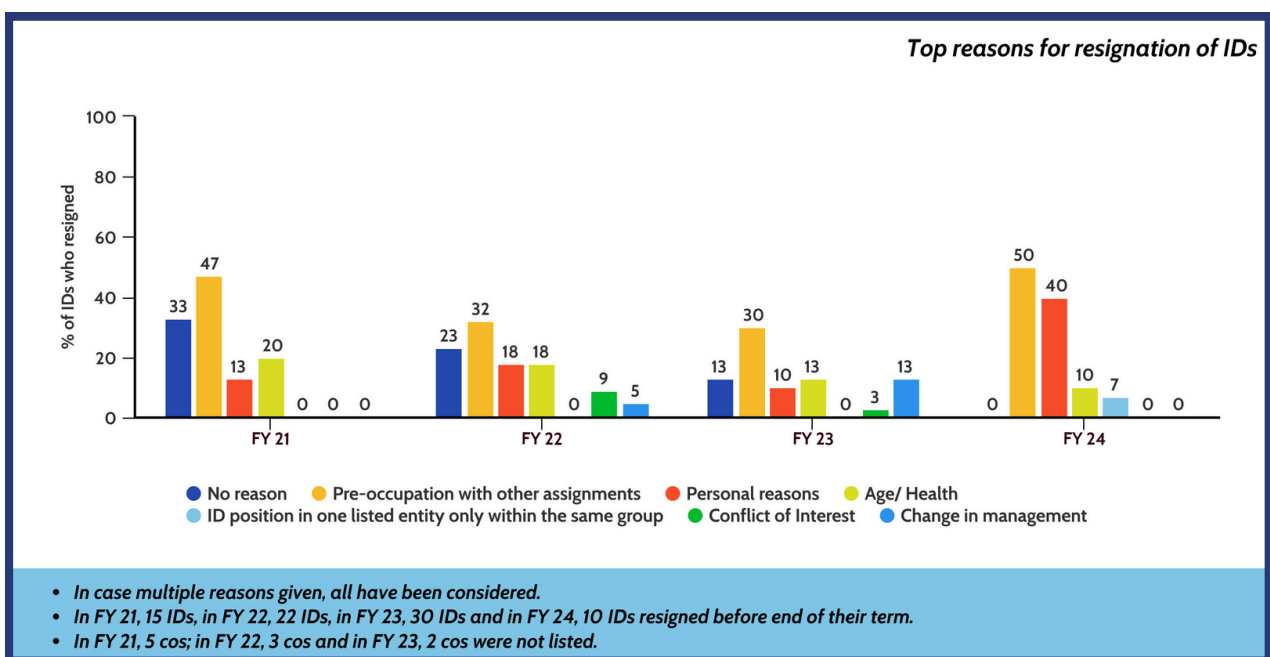


- In all 4 FYs, 10 companies continued to make such disclosures.

# REASONS MENTIONED FOR RESIGNATION OF IDs

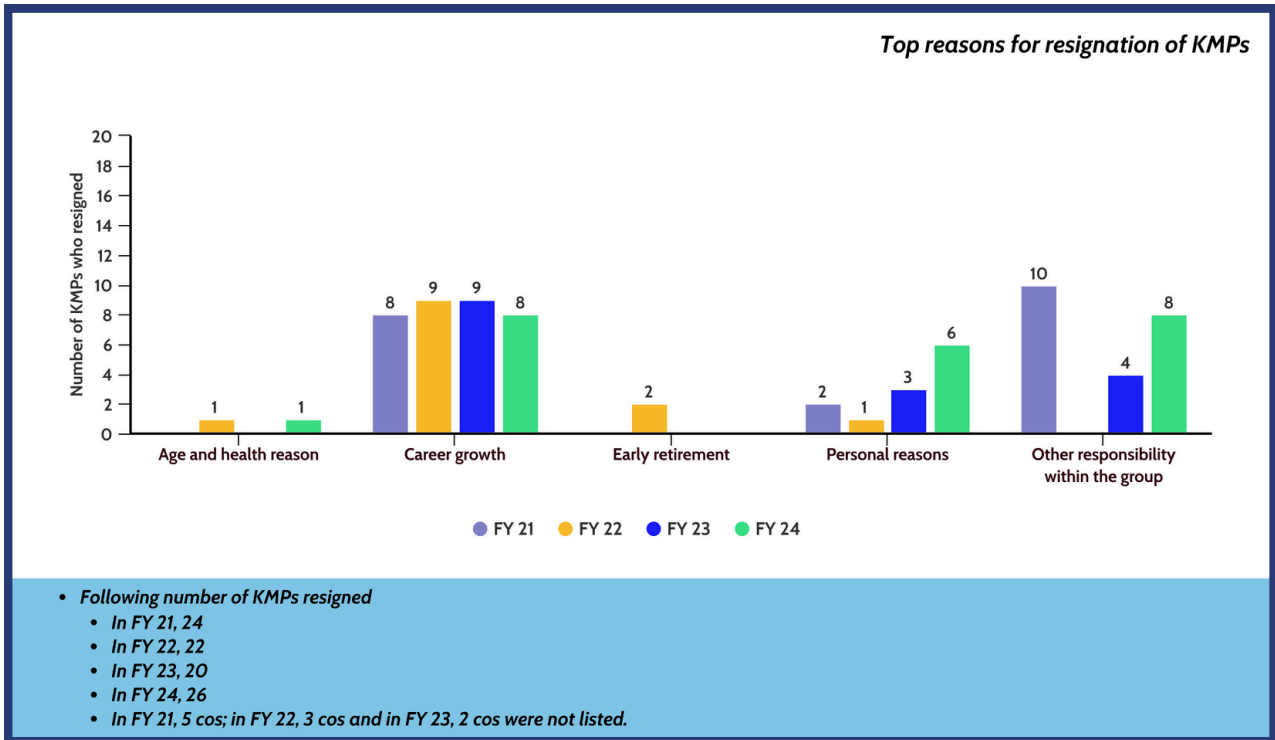
- As per Schedule V of SEBI LODR Regulations, 2015, the following disclosures shall be made in the section on the corporate governance of the annual report
  - (j) detailed reasons for the resignation of an independent director who resigns before the expiry of his/ her tenure along with a confirmation by such director that there are no other material reasons other than those provided (wef May 5, 2021).

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.



# REASONS MENTIONED FOR RESIGNATION OF KMPs

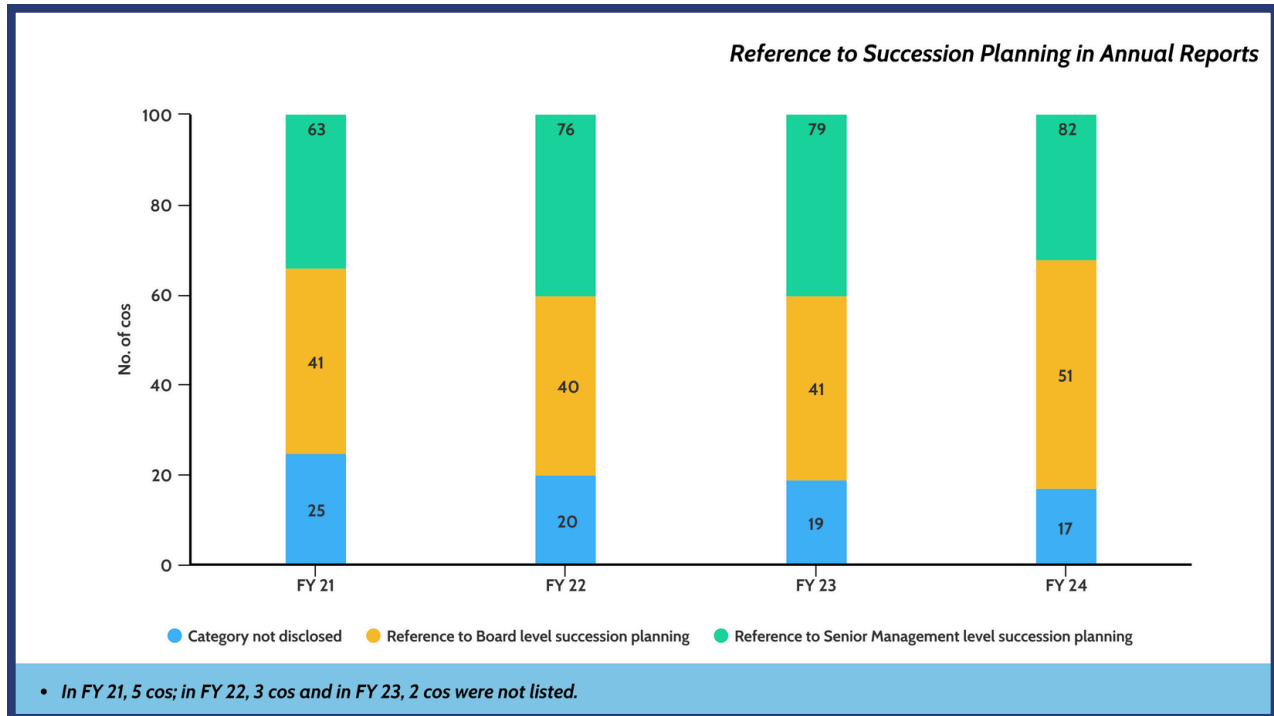
- As per Regulation SCHEDULE III (Part A) (7C), in case of resignation of key managerial personnel, senior management, Compliance Officer or director other than an independent director; the letter of resignation along with detailed reasons for the resignation as given by the key managerial personnel, senior management, Compliance Officer or director shall be disclosed to the stock exchanges by the listed entities within seven days from the date that such resignation comes into effect.



# 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 previous 4 FYs, 30 companies, which have disclosed details on succession planning of Board, are common.
- In previous 4 FYs, 57 companies, which have disclosed details on succession planning of management, are common.
- In previous 4 FYs, 27 companies, which have disclosed details on succession planning of Board as well as management, are common.
- 9 companies did not disclose any details relating to succession planning in the previous 4 FYs.



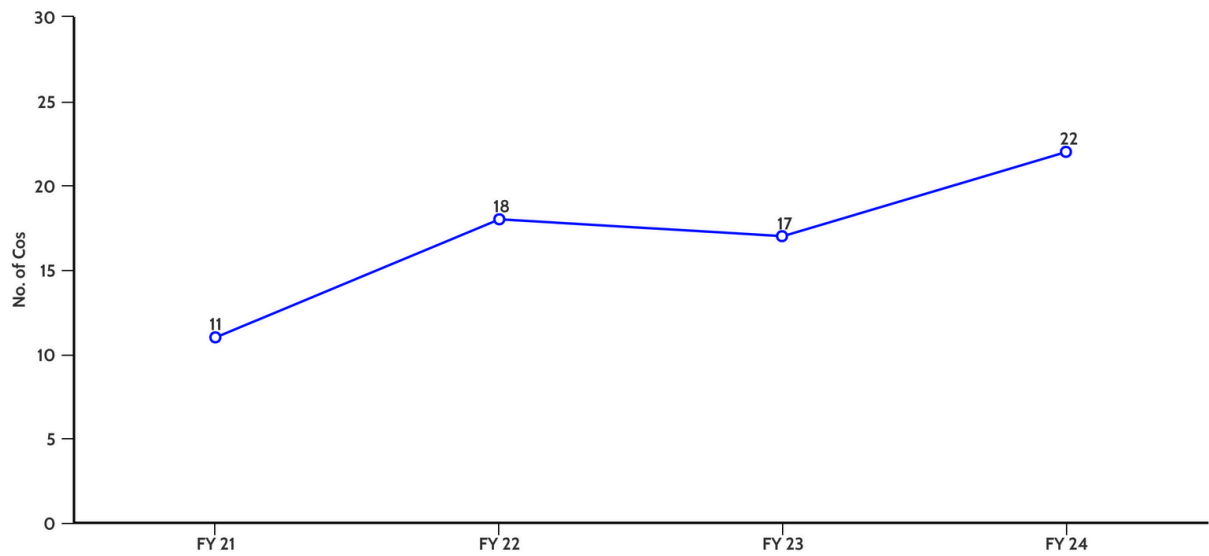
# CORPORATE SOCIAL RESPONSIBILITY

## 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 per cent 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.

*Unspent amount of CSR and reason(s) thereof*



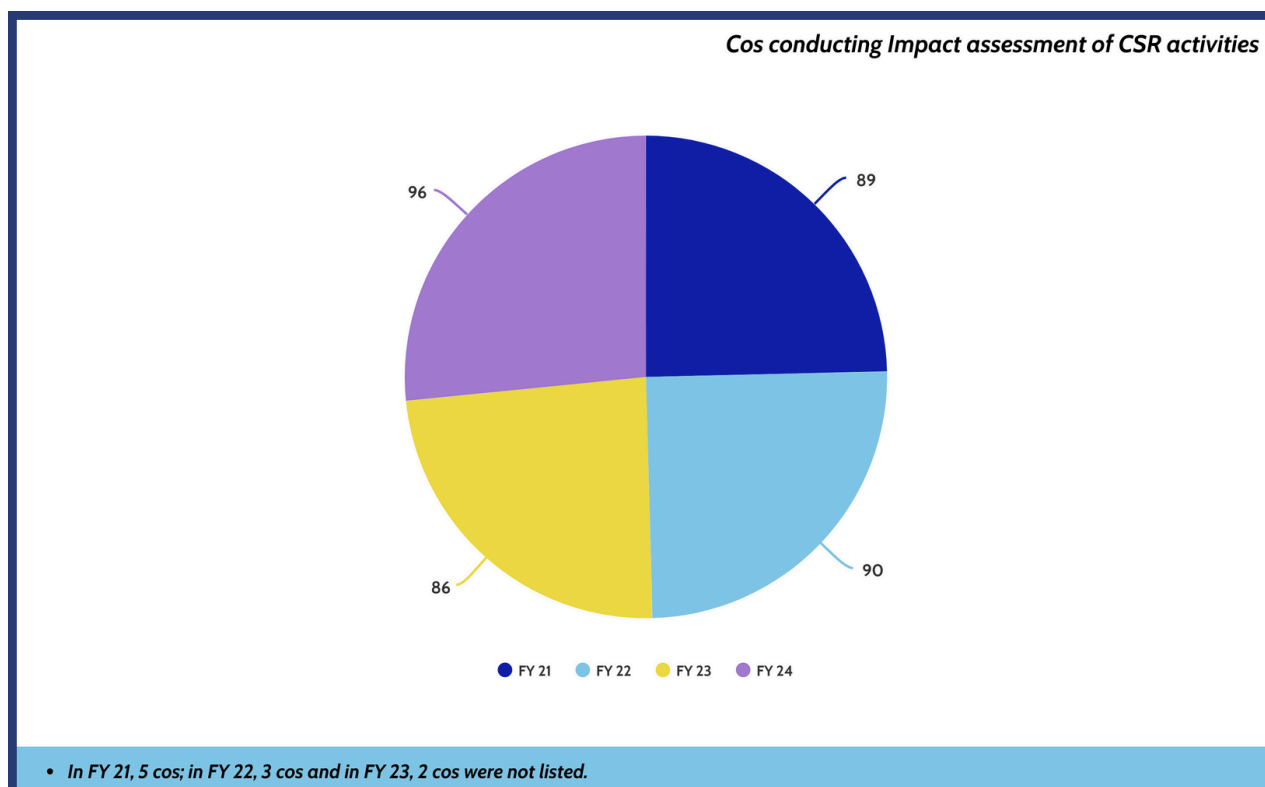
- For FY 21, 87 cos have been considered. 4 cos had inadequate profits, 1 co stated that the provision of CSR is not applicable and 3 cos did not give details.
- For FY 22, 83 cos have been considered. 8 cos had inadequate profits, 1 co stated that the provision of CSR is not applicable and 5 cos did not give details.
- For FY 23, 88 cos have been considered. 4 cos had inadequate profits, 3 cos stated that the provision of CSR is not applicable and 3 cos did not give details.
- For FY 24, 94 cos have been considered. 1 co had inadequate profits, 1 co stated that the provision of CSR is not applicable and 4 cos did not give details.
- In FY 21, 5 cos; in FY 22, 3 cos and in FY 23, 2 cos were not listed.

- In FY 24, 1 company did not transfer the unspent amount of CSR to the unspent CSR account, and did not give the reason for this lapse.

## IMPACT ASSESSMENT OF CSR ACTIVITIES

- Wef January 22, 2021, as per Rule 5(2) of the Companies (Corporate Social Responsibility (CSR) Policy) Amendment Rules, 2021, 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:-  
(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.
- Wef January 22, 2021, as per Rule 8(3) of the Companies (Corporate Social Responsibility (CSR) Policy) Amendment Rules, 2021,  
(b) The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR.  
(c) A Company undertaking impact assessment may book the expenditure towards Corporate Social Responsibility for that financial year, which shall not exceed five percent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is less.
- MCA vide general circular no. 14/2021 dated August 25, 2021, issued an FAQ, which stated that the provisions for impact assessment have come into effect from January 22, 2021. Accordingly, the company is required to undertake impact assessment of the CSR projects completed on or after January 22, 2021.

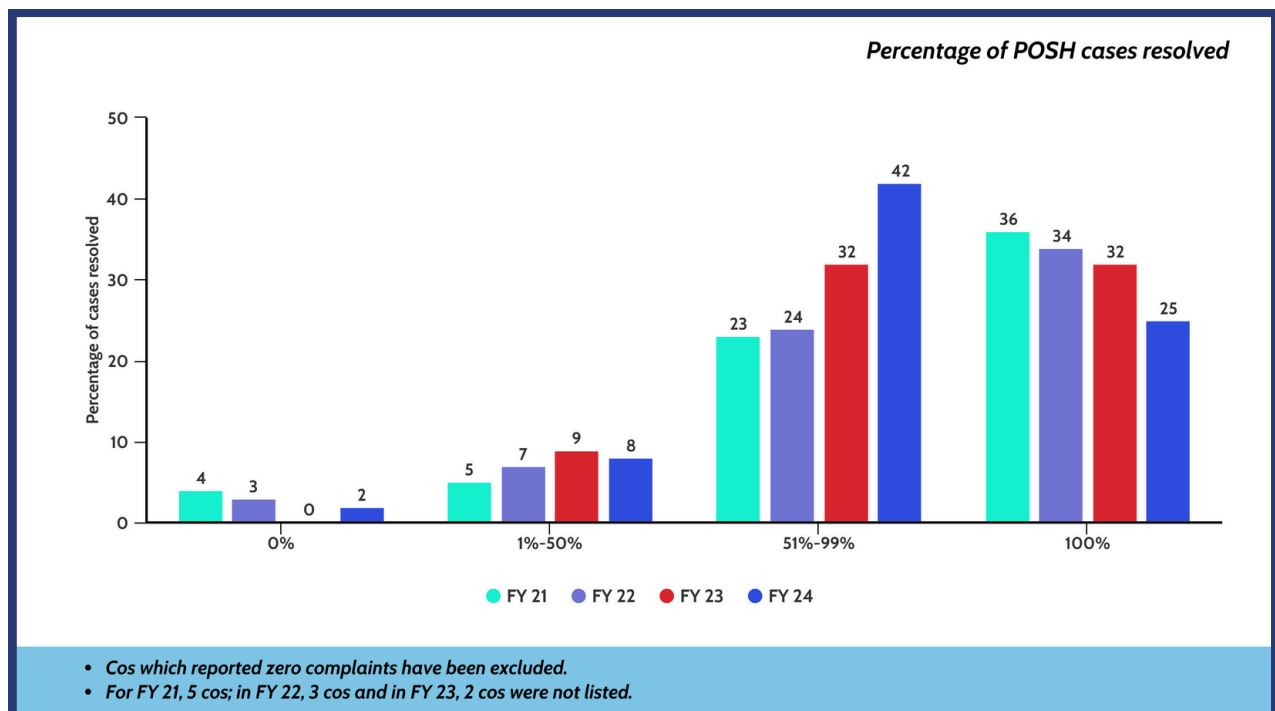
Focus on expenditure on CSR activities, without assessing the impact of the activities, would clearly be an incomplete exercise. The focus should be on outcomes, rather than on outlays.



# 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 Rule 8(5)(x) of the Companies (Accounts) Rules, 2014, Board report shall contain a statement that the company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- As per Schedule V (C) (10) (l) 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 at 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.



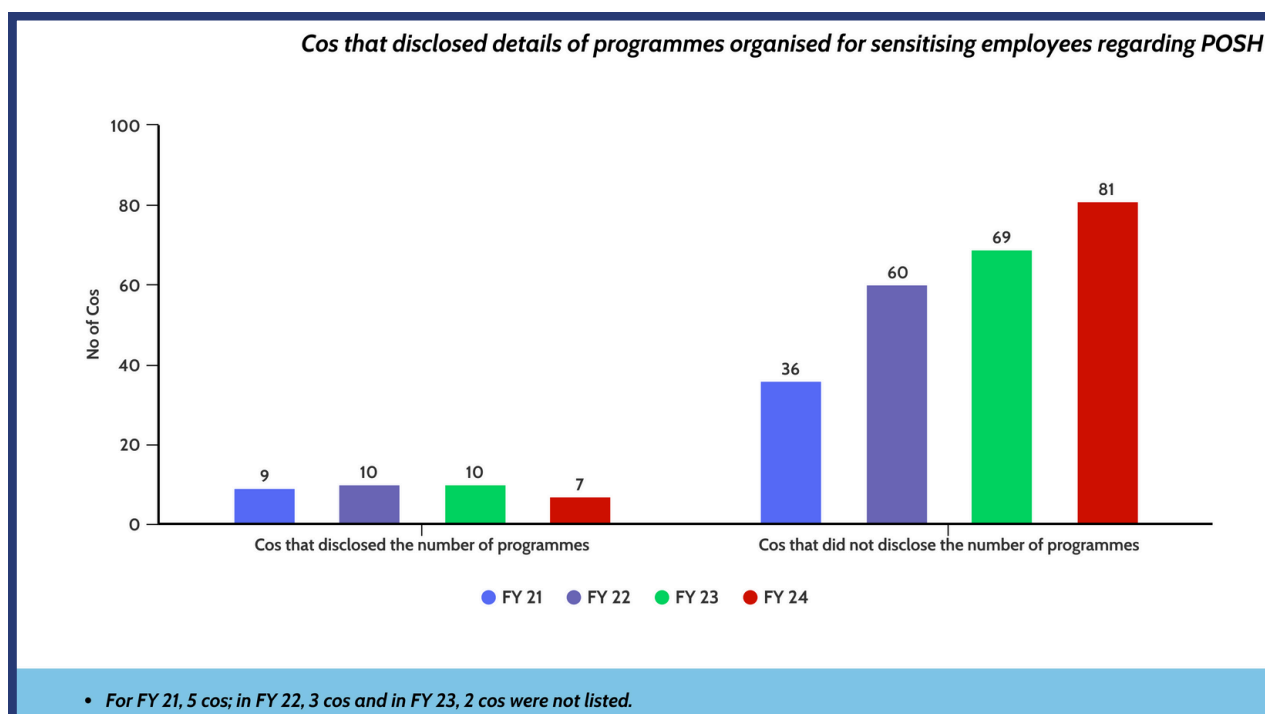
- In FY 21, 660 cases were reported, and 554 cases were shown as disposed of.
- In FY 22, 798 cases were reported, and 687 cases were shown as disposed of.
- In FY 23, 1188 cases were reported, and 1042 cases were shown as disposed of.
- In FY 24, 1622 cases were reported, and 1464 cases were shown as disposed of.
- From the reporting, it is not clear in how many of these, the allegations were established, and appropriate remedial action was taken. Since creation of a safer workplace is the objective, clarity on this account would have been helpful.
- In FY 24, 23 companies reported receiving 0 complaints. In FY 21, FY 22 and FY 23, 27, 29 and 23 companies respectively had reported receiving 0 complaints. The absence of complaints would seem to indicate either an ideal workplace or the lack of confidence among employees in reporting cases of this nature.

- In previous 4 FYs, the highest number of cases were reported by the same 1 company. The highest number of cases in FY 21 were 70, in FY 22 were 55 cases, in FY 23 were 141 cases, and in FY 24 were 182 cases. The resolution relating to these cases were 80%, 76%, 88% and 89% per year respectively.

## WORKSHOPS FOR POSH

- *As per Section 19(c) of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, every employer shall organise workshops and awareness programmes at regular intervals for sensitising the employees with the provisions of the Act and orientation programmes for the members of the Internal Committee in the manner as may be prescribed.*

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.



- Following were the highest number of programmes organised by a company
  - In FY 21, 140+,
  - In FY 22, 300,
  - In FY 23, 394,
  - In FY 24, 469.

# AUDITORS

## STATUTORY AUDITOR

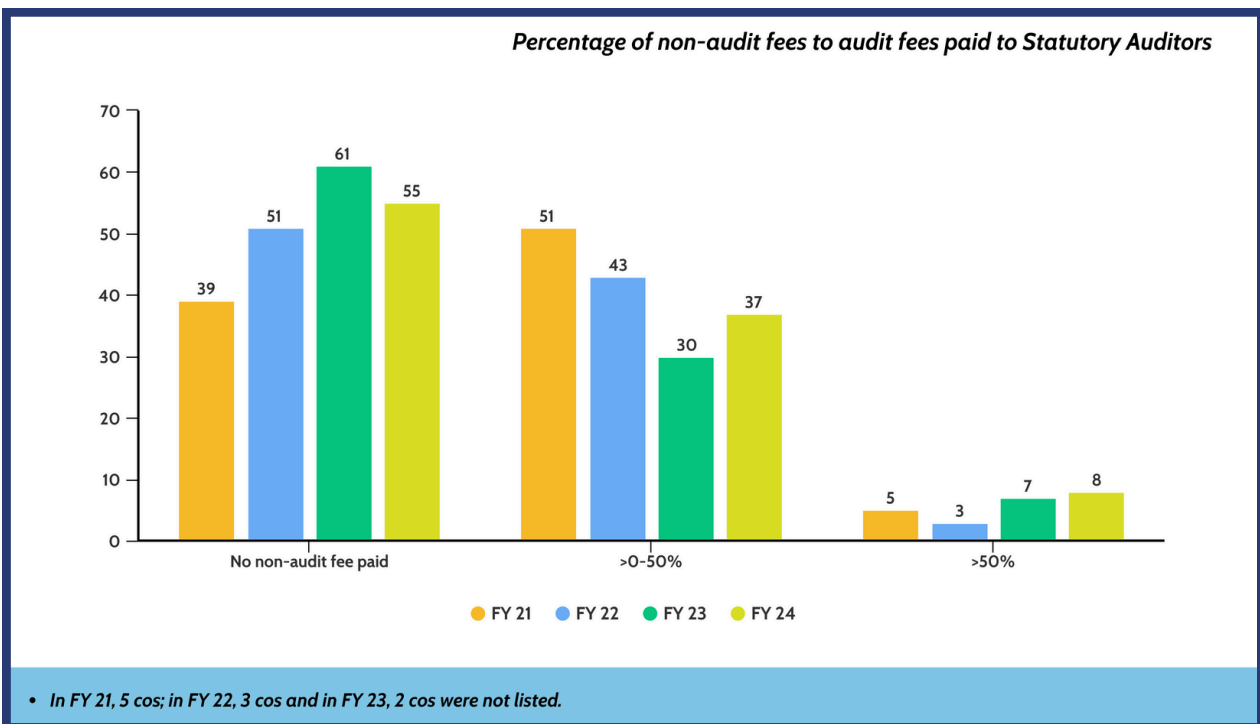
### SINGLE OR JOINT

Joint audit, which has been in vogue for public sector financial institutions, and has been prescribed by RBI for NBFCs, ensures continuity with change. Having the same set of auditors, over a long period, will lead to questions being blunted 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.

- 27 companies continued to have joint statutory auditors in previous 4 FYs.

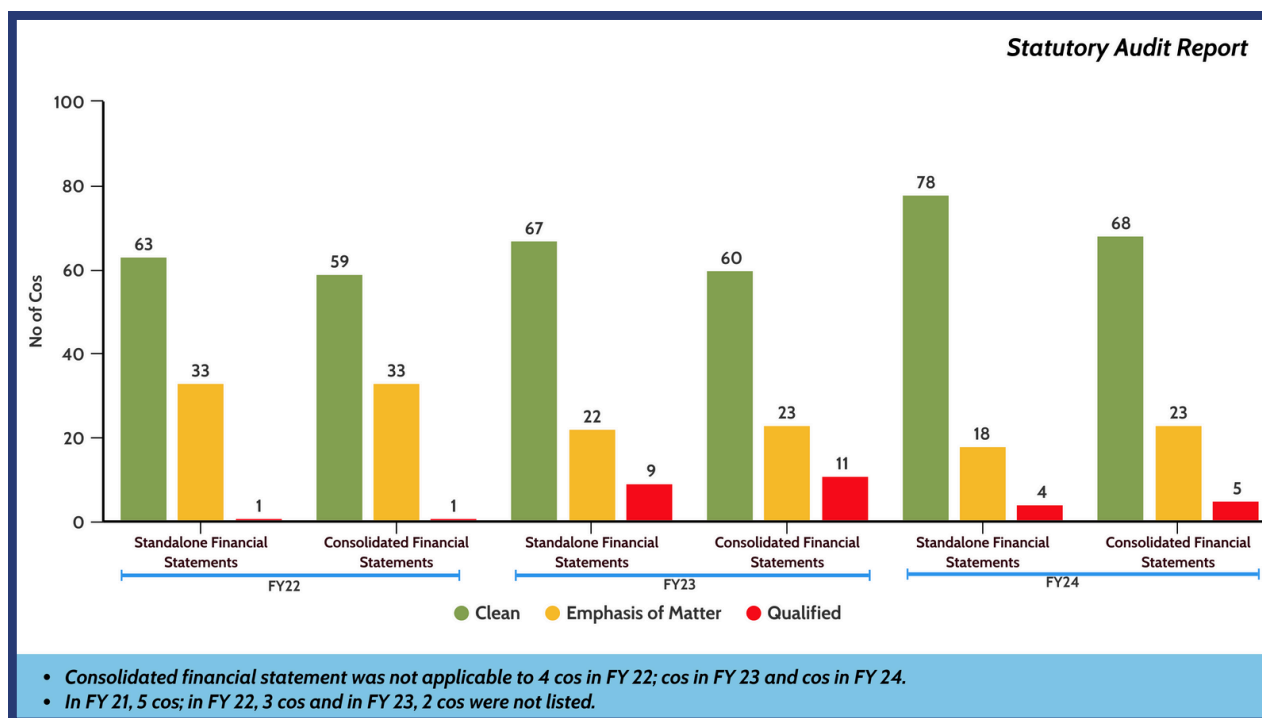
### AUDIT FEE BREAKUP

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 variation in the manner in which these matters are reported in the Annual reports.



- Highest ratio of non-audit fee paid to audit fee in FY 21 was 168% , in FY 22 was 79.5%, in FY 23 was 97% and in FY 24 was 262%.
- In previous 4 FYs, 33 companies continued to not pay any non-audit fee to the auditors.
- 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.

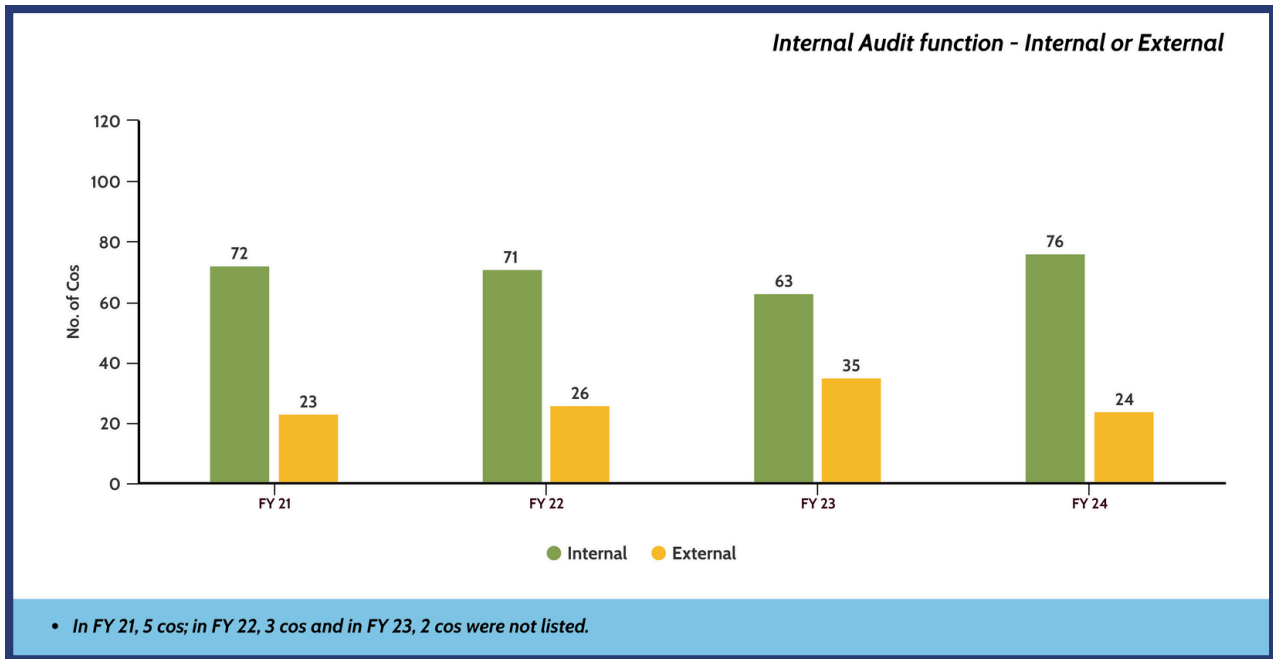
## STATUTORY AUDIT REPORT



- In 3 FYs, 3 PSUs/ PSBs had a clean report (both SFS and CFS).

## 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.



- 60 companies continued to have an internal Internal Auditor in previous 4 FYs.
- 18 companies continued to have outsourced the internal audit function in previous 4 FYs.



# SECRETARIAL AUDITOR

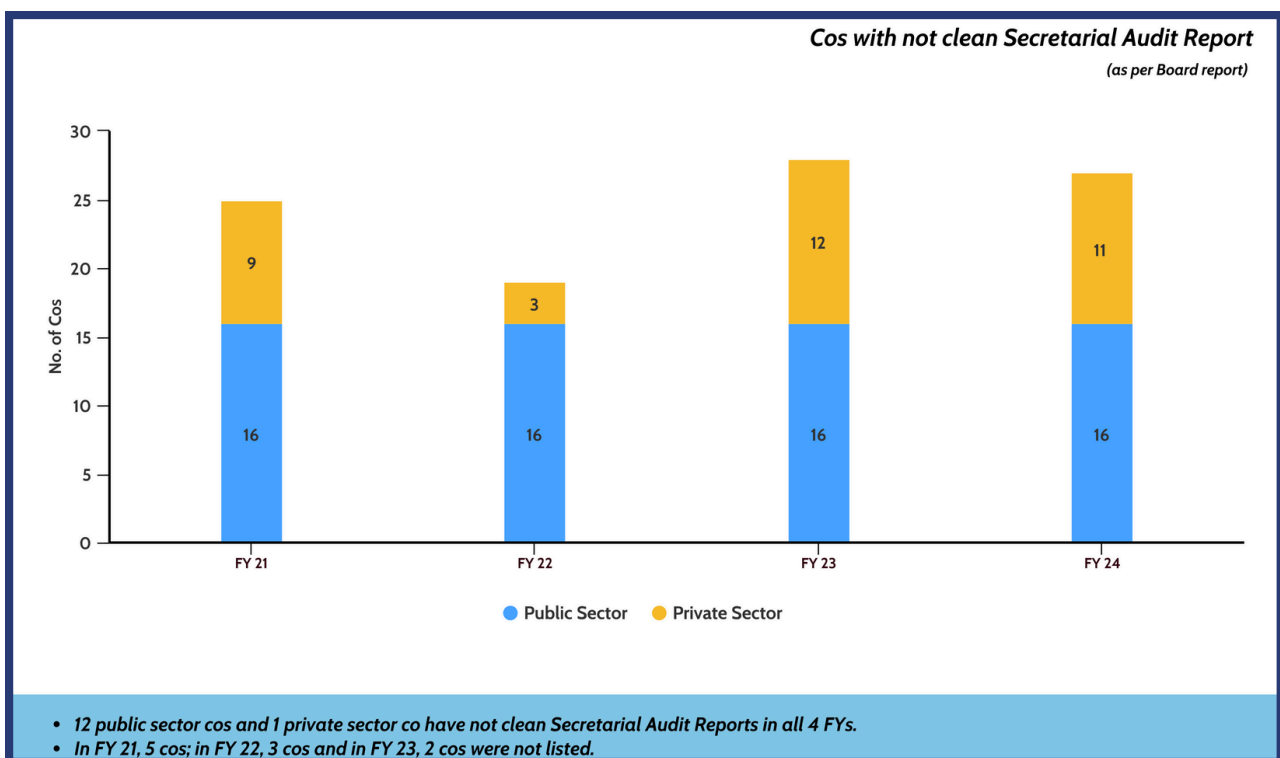
Secretarial audit is one of the mandatory instruments for ensuring compliance. As in the case of all auditor-auditee relationships, rotation of the audit firm and/or signing partner is essential to rule out the possibility of familiarity, leading to ignoring or underplaying cases of non-compliance.

## ROTATION OF SECRETARIAL AUDITOR

- In previous 10 FYs,
  - 41 companies have had the same audit firm and/or the same signing partner.
  - 9 companies have had the same audit firm, but the signing partner was changed.
- In FY 24, 11 companies changed their audit firm, out of which 4 were PSUs.

## 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.*
- *As per Regulation 24A(1) of SEBI LODR Regulations, 2015, every listed entity and its material unlisted subsidiaries incorporated in India shall undertake secretarial audit and shall annex a secretarial audit report given by a company secretary in practice, in such form as specified, with the annual report of the listed entity (wef May 05, 2021).*



- In previous 4 FYs, 24 companies, which do not have a clean report, are common. Of these, 16 are PSUs/ PSBs.
- In FY 21, out of 70 clean reports, 19 reports are not clean as per us since they have some observations from the auditor.
- In FY 22, out of 78 clean reports, 22 reports are not clean as per us they have some observations from the auditor.
- In FY 23, out of 70 clean reports, 13 reports are not clean as per us they have some observations from the auditor.
- In FY 24, out of 73 clean reports, 15 reports are not clean as per us they have some observations from the auditor.

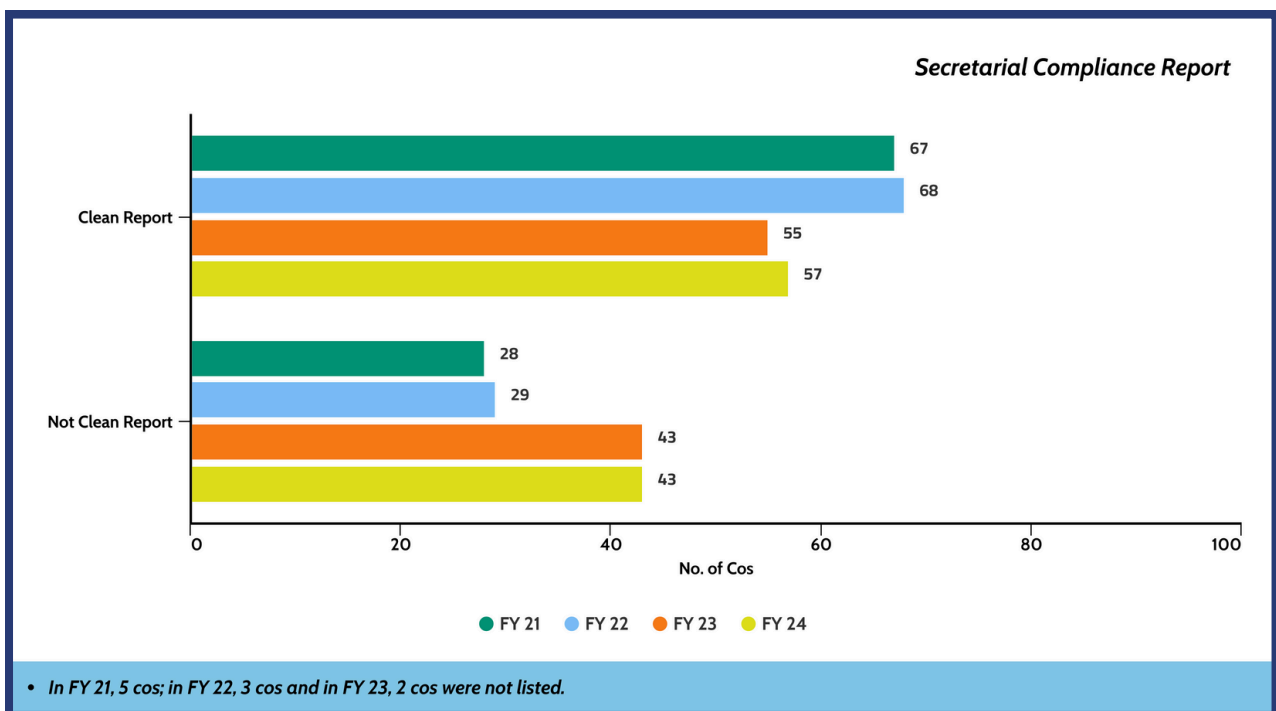
## SECRETARIAL AUDIT REPORT OF MATERIAL UNLISTED SUBSIDIARIES

- In FY 23, 23 companies had material unlisted material subsidiaries. Of these, in 15 companies, reports of all subsidiaries were clean, and 4 companies had reports of all subsidiaries with qualifications/ observations.
- In FY 24, 27 companies had material unlisted material subsidiaries. Of these, in 13 companies, reports of all subsidiaries were clean, and 9 companies had reports of all subsidiaries with qualifications/ observations

## 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).*
- *As per Regulation 24A (2) of SEBI LODR Regulations, 2015, 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 May 5, 2021).*

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.



- 17 companies are common which continued to be non-compliant in previous 4 FYs.

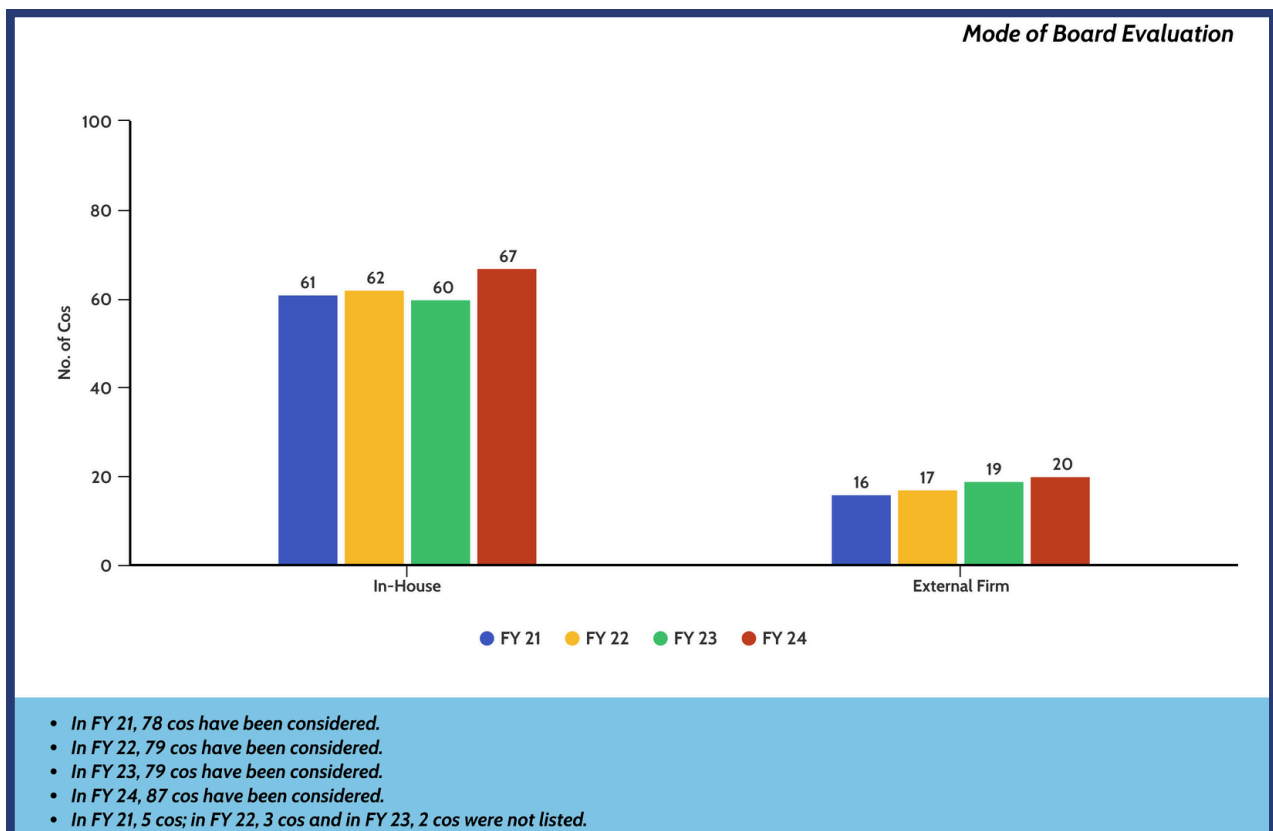
# BOARD EVALUATION

- As per Section 178(2) of the Companies Act, 2013, the Nomination and Remuneration Committee shall.... specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.
- 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 -
  - performance of the directors; and
  - 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-
  - review the performance of non-independent directors and the board of directors as a whole;
  - review the performance of the chairperson of the listed entity, taking into account the views of executive directors and non-executive directors;
  - 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.

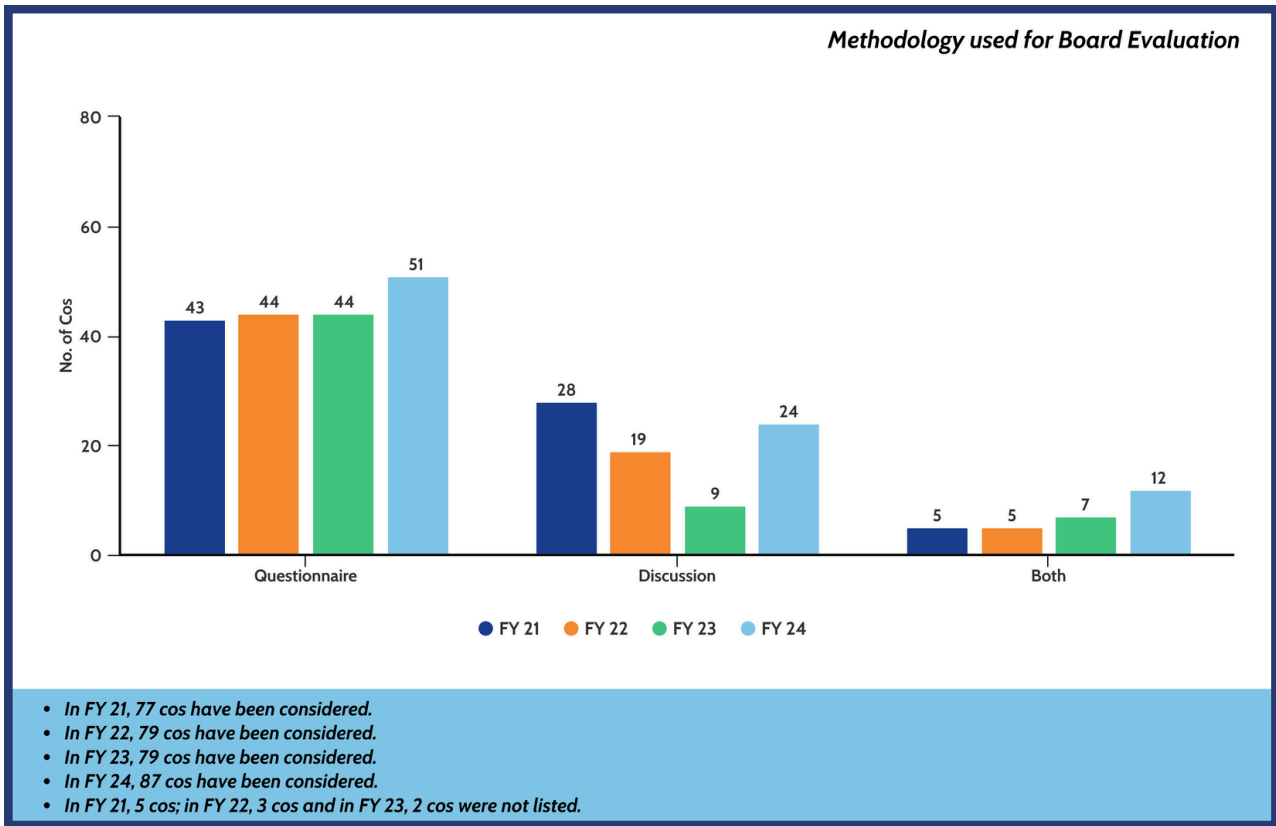
## MODE

When carried out with sufficient seriousness and rigour, Board evaluation is a very important tool to enable the Board, its committees, its Chairperson and the Directors to significantly improve performance. Presently, most Board evaluation exercises are carried out in a routine fashion, with no attempt being made to extract value from the exercise. A major failure is that following the process of evaluation, no feedback is given to the persons concerned, to improve their performance. A few progressive companies have embarked on preparing action plans arising out of Board evaluation, with the intention of monitoring the implementation, and reporting the performance in the subsequent year.

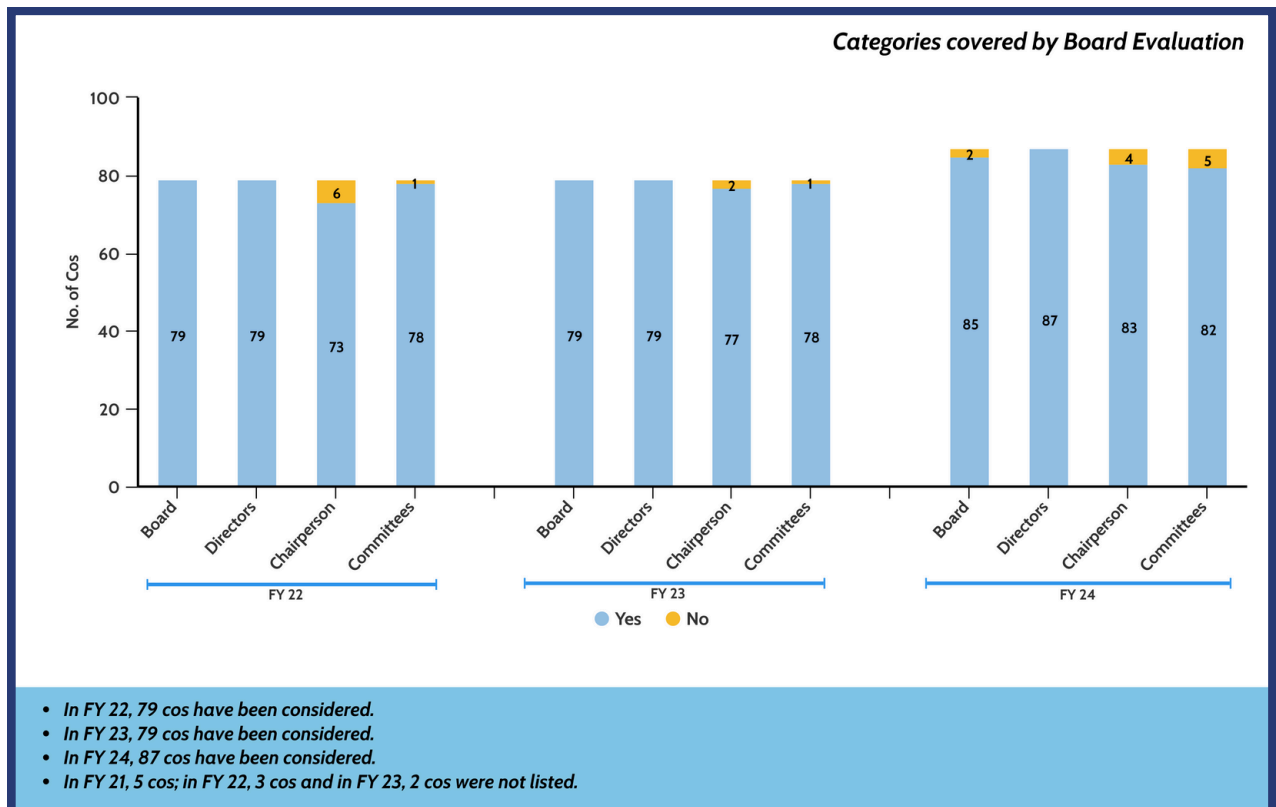


## METHODOLOGY

Experience has shown that neither a questionnaire approach, nor a discussion approach, is, by itself, a satisfactory method. A robust process should involve both these elements.

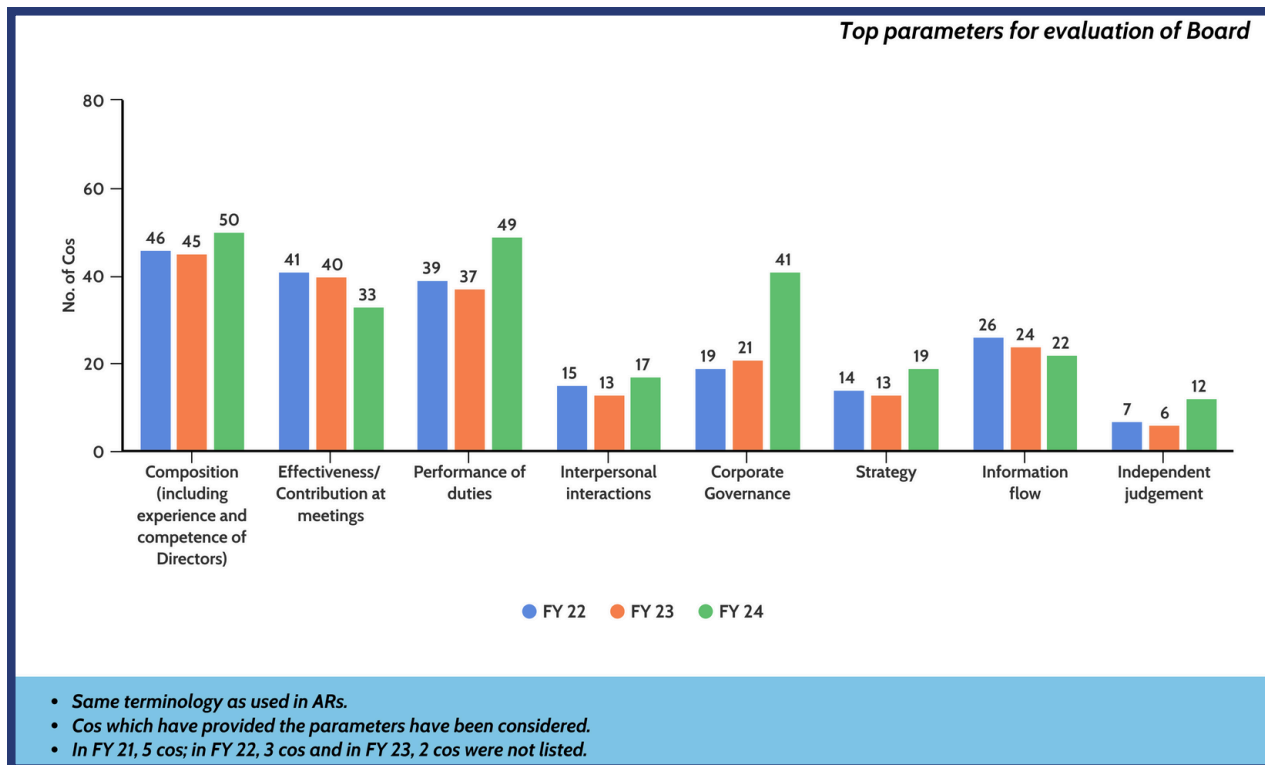


## CATEGORIES EVALUATED



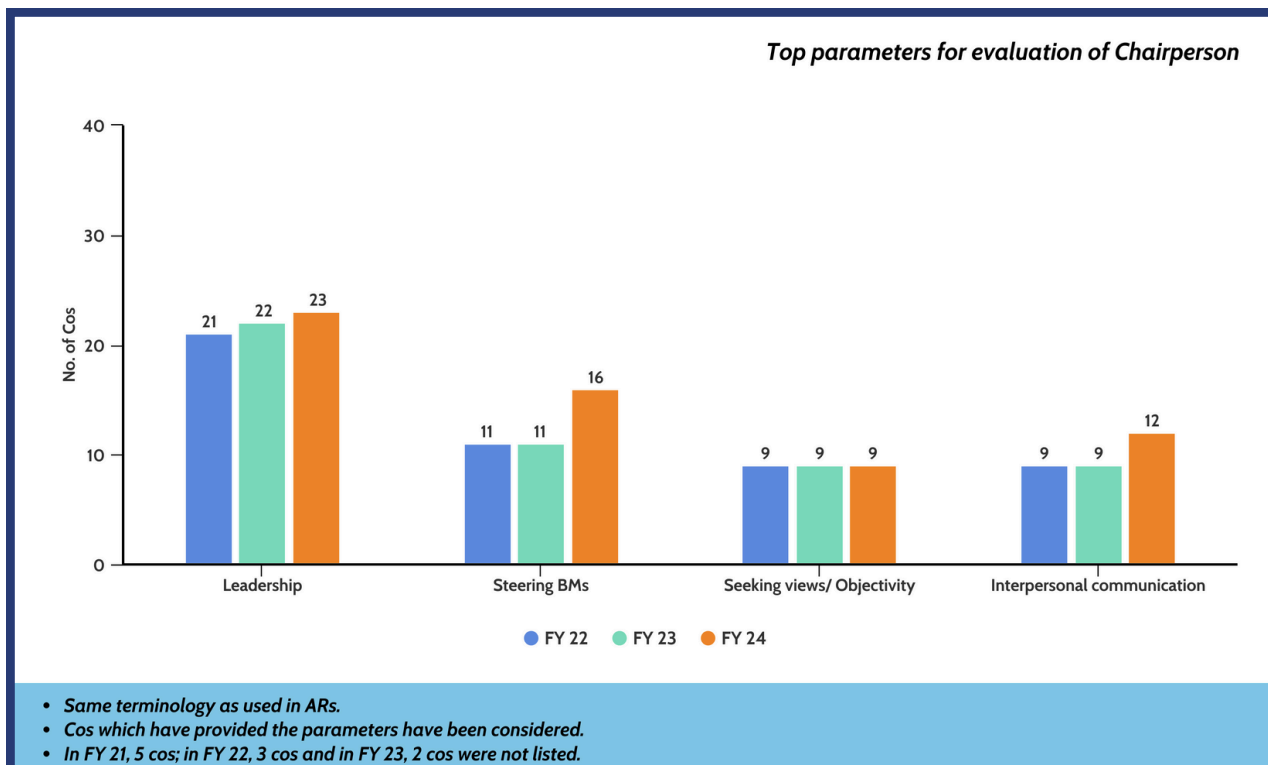
## TOP PARAMETERS FOR EACH CATEGORY

### BOARD



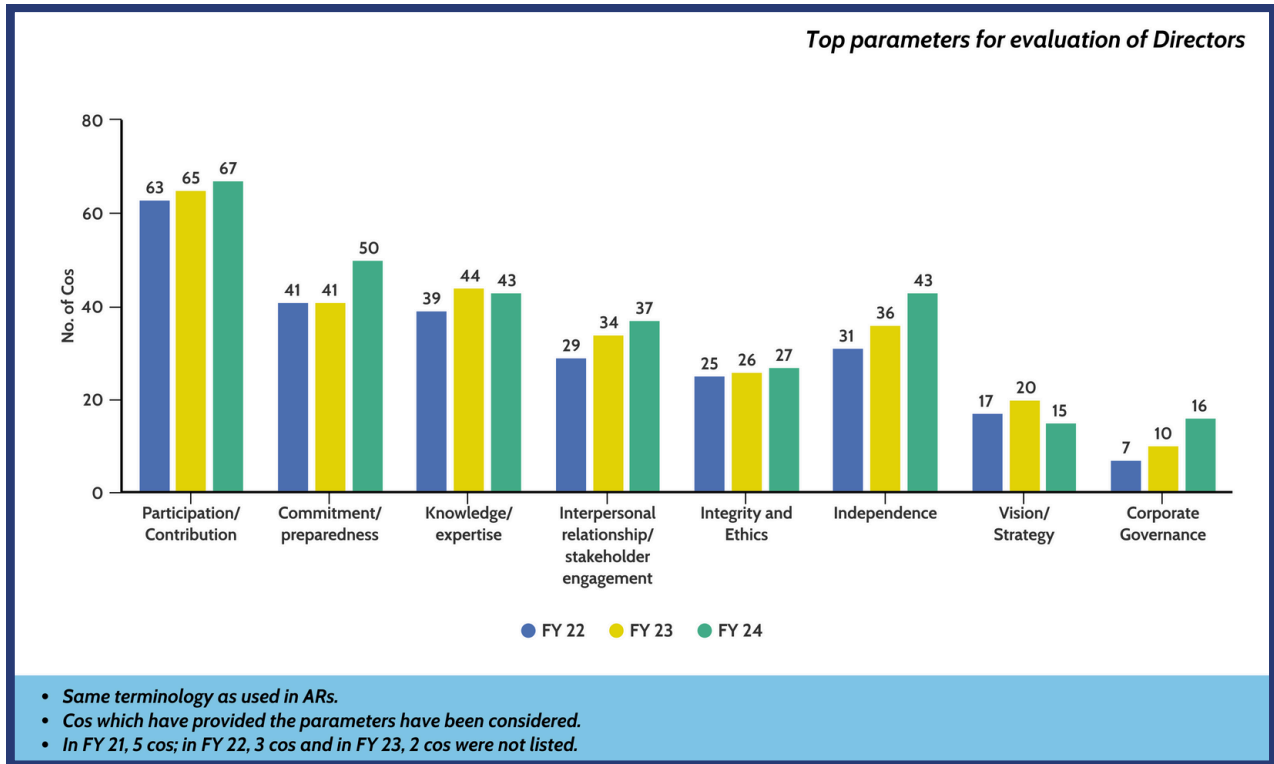
- In FY 21, FY 22, FY 23 and FY 24, 1, 2, 2 and 1 companies have mentioned 'handling dissent' as one of the parameters.

### CHAIR

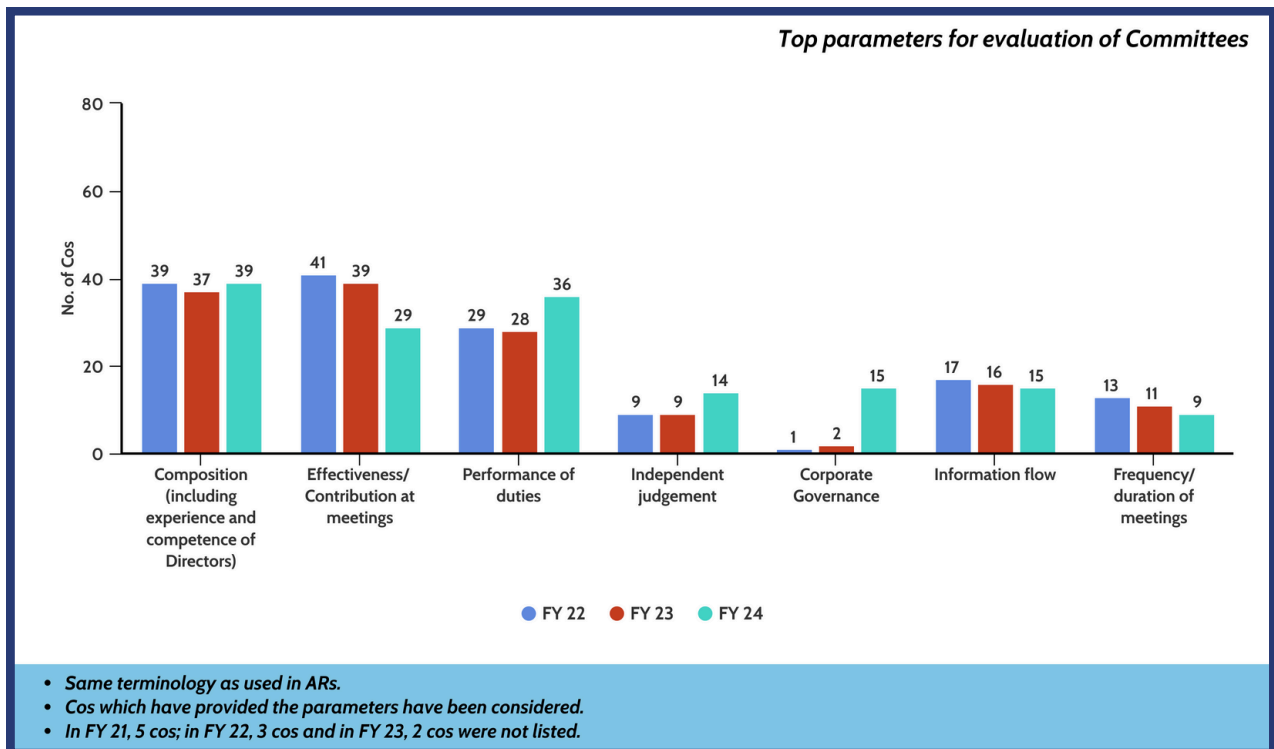


- In FY 21, FY 22, FY 23 and FY 24, 1, 3, 4 and 4 companies have mentioned 'handling dissent' as one of the parameters.

## DIRECTORS

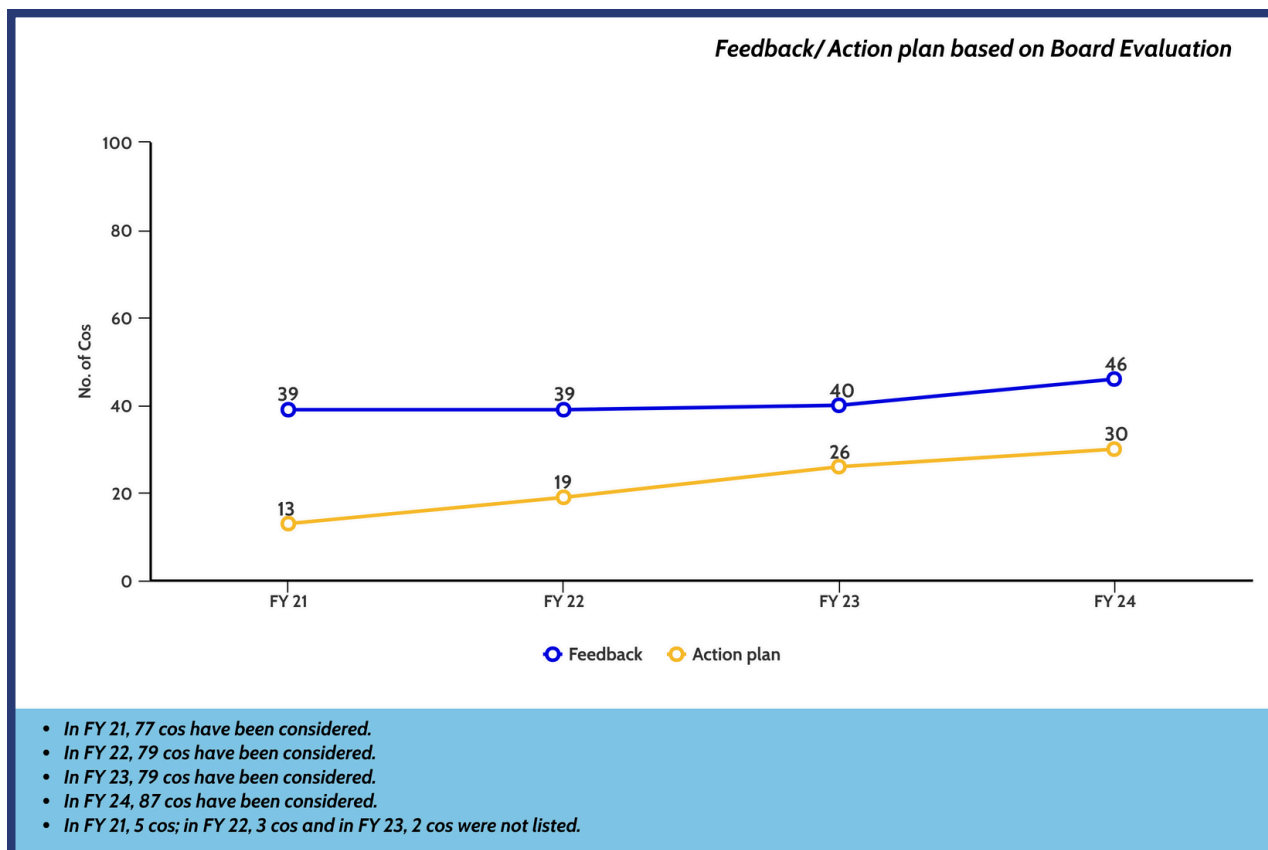


## COMMITTEES



## FEEDBACK AND ACTION PLAN

Any evaluation exercise is sterile and unproductive if it is not concluded with feedback being given to the evaluated entities, and an action plan set in motion to work on the areas identified for improvement.



- In 4 FYs, 5 companies have disclosed that they provided feedback and drew up an action plan.

## REFERENCE TO FLOW OF INFORMATION

- In FY 21, FY 22, FY 23 and FY 24, 55, 58, 60 and 63 companies have made reference to flow of information.

## ROLE OF NRC IN BOARD EVALUATION

- In FY 21, FY 22, FY 23 and FY 24, 73, 75, 79 and 79 companies respectively have mentioned a role for NRC in the evaluation exercise.

# 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/ her 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. Separate posts of Chairperson and the Managing Director or the Chief Executive Officer

The listed entity may appoint separate persons to the post of the Chairperson and the Managing Director or the Chief Executive Officer, such that the Chairperson shall –

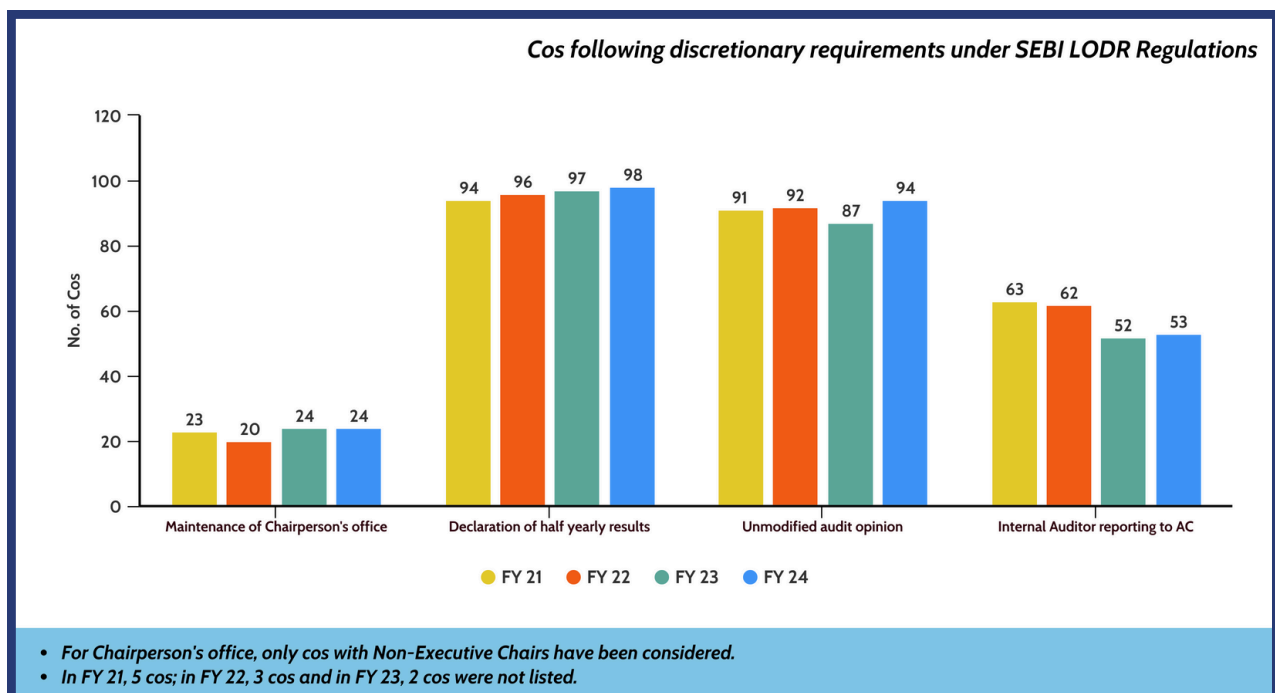
(a) be a non-executive director; and

(b) not be related to the Managing Director or the Chief Executive Officer as per the definition of the term “relative” defined under the Companies Act, 2013. (w.e.f. 22.3.2022)

## 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.



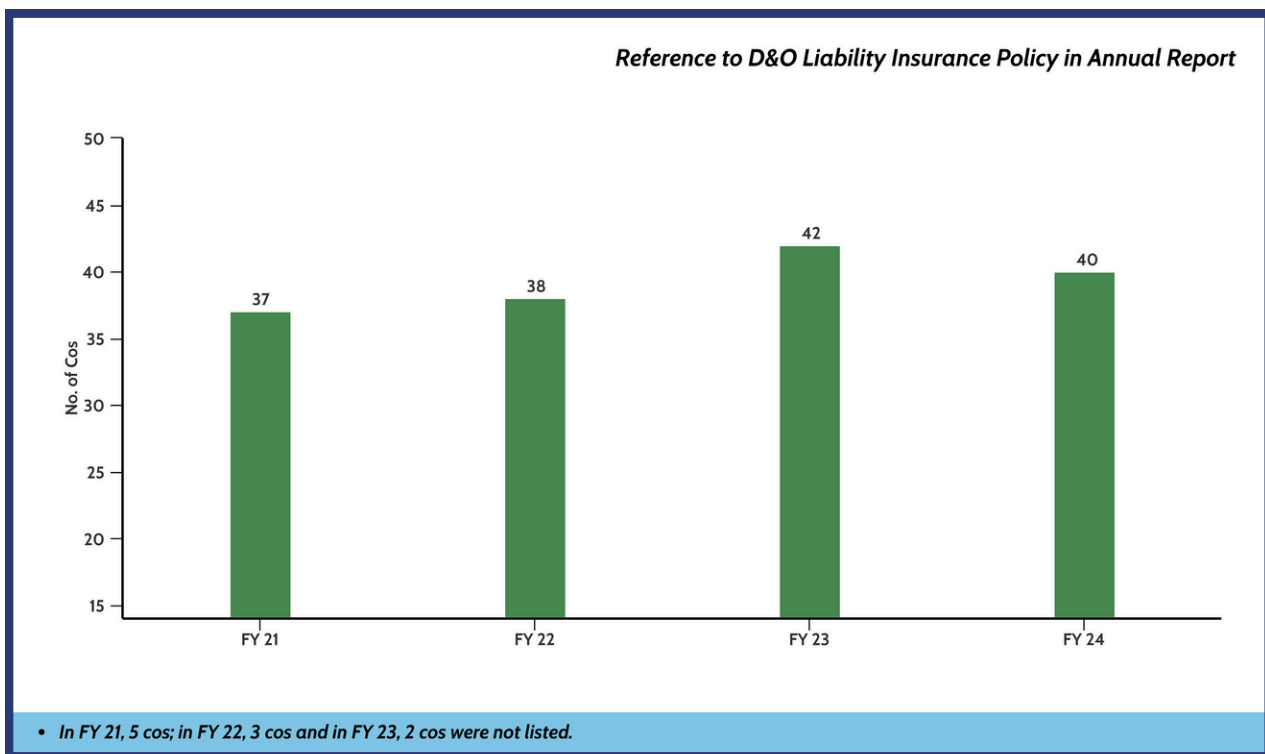


- Companies that follow all the discretionary practices
  - in FY 21 are 17,
  - in FY 22 are 16,
  - in FY 23 are 15,
  - in FY 24 are 16.
- Of these, in all 4 FYs, 10 companies are common.
- Going forward, it is to be hoped that there would be more such disclosures, without waiting for SEBI to convert these to non-discretionary requirements.
- Maintenance of Chair's office – In all 4 FYs, 30 companies, which had non-executive Chairs, did not do so.
- Modified opinion(s) in audit report – In all 4 FYs, 1 company continued to have a modified report.
- IA reporting to AC – In all 4 FYs, 42 companies continued to follow this practice, while 26 did not do so.

# 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 1000 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 (wef January 1, 2022).

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.

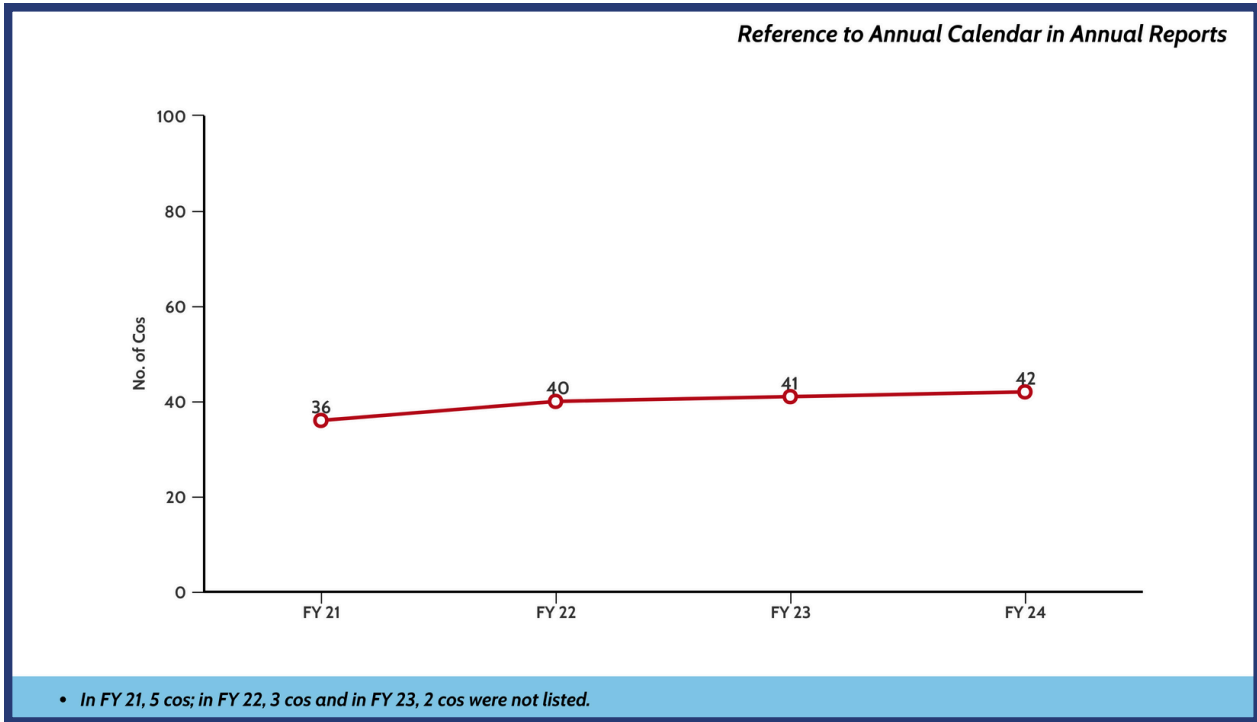


- 46 companies did not disclose the details of a D&O Liability Insurance Policy in their Annual Reports in previous 4 FYs.

# OTHER PROCESSES

## ANNUAL CALENDAR

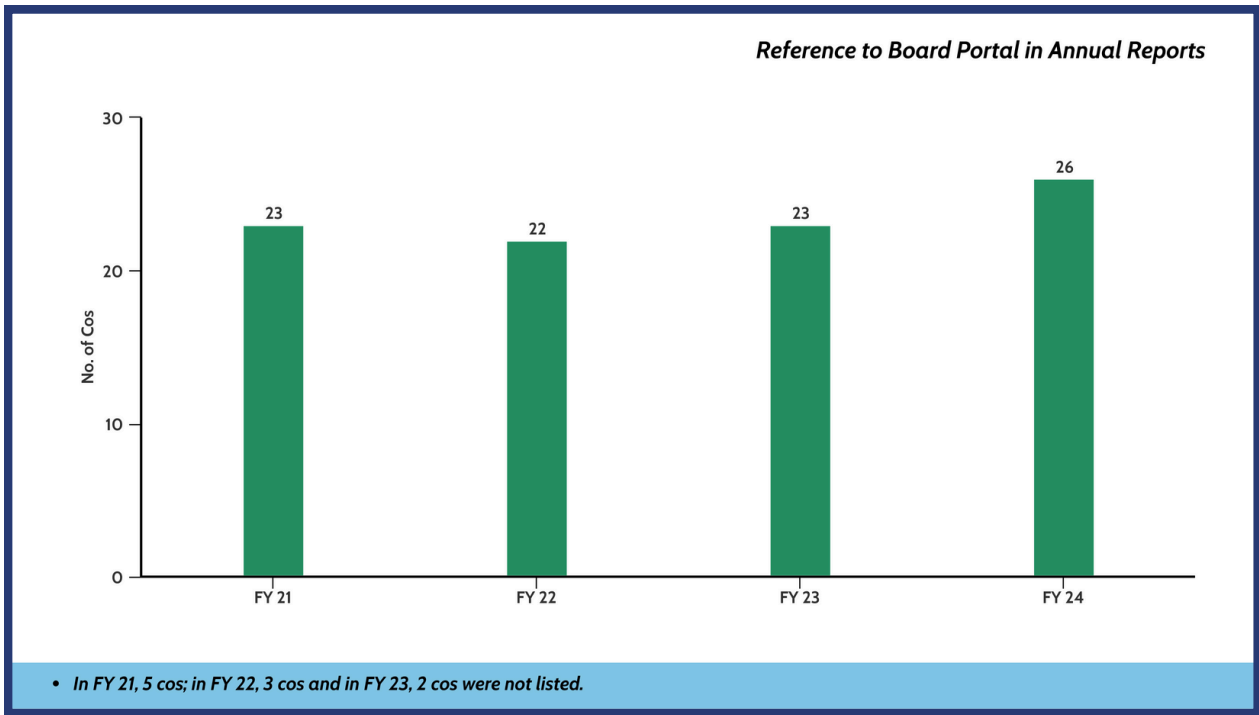
Directors on Boards are normally expected to be busy persons who might be unavailable for very short notice meetings. Hence, an annual calendar, prepared in advance, would be useful to ensure their attendance at meetings.



- In all 4 FYs, 34 companies have continued the practice of having annual calendars.
- In all 4 FYs, 53 companies have not made any disclosure regarding the presence of an annual calendar.

## BOARD PORTAL

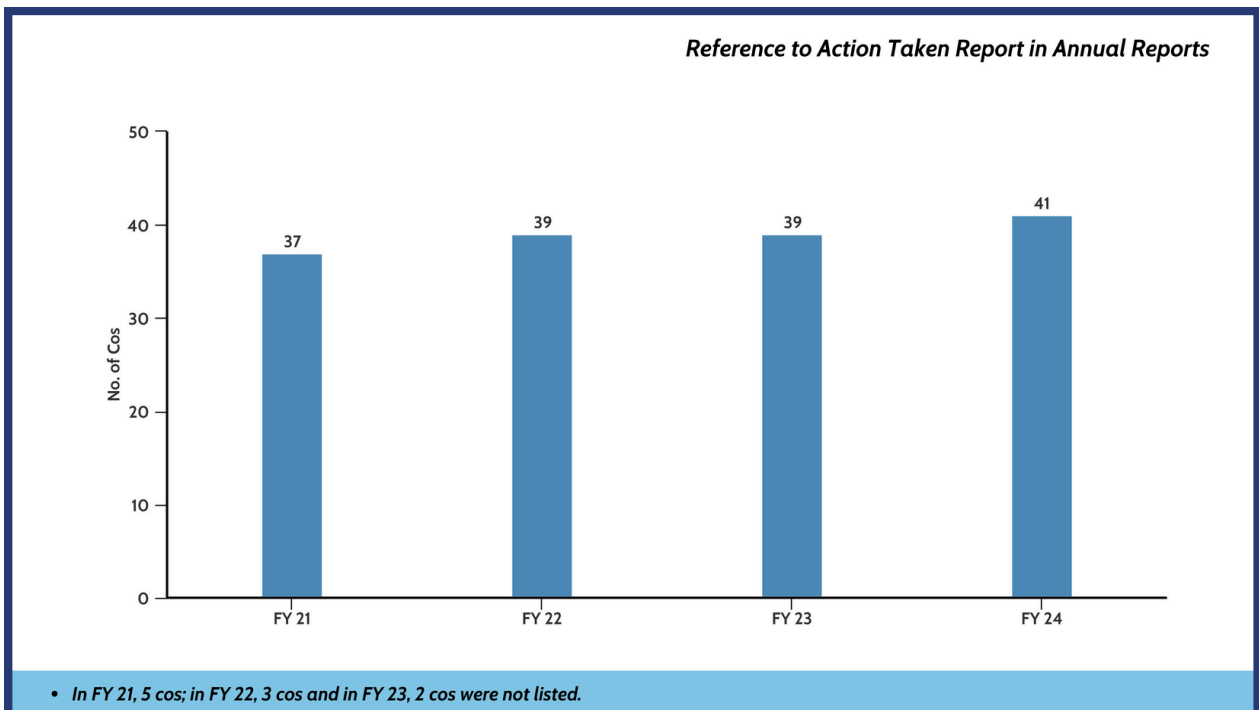
In an environment which is seeking to be progressively paperless, the Board portal is an important requirement. It enables easier and timely transmission of agenda papers and the minutes, and is a useful archival tool to access information relating to earlier meetings. It also promotes confidentiality.



- In 4 FYs, 19 companies are common.

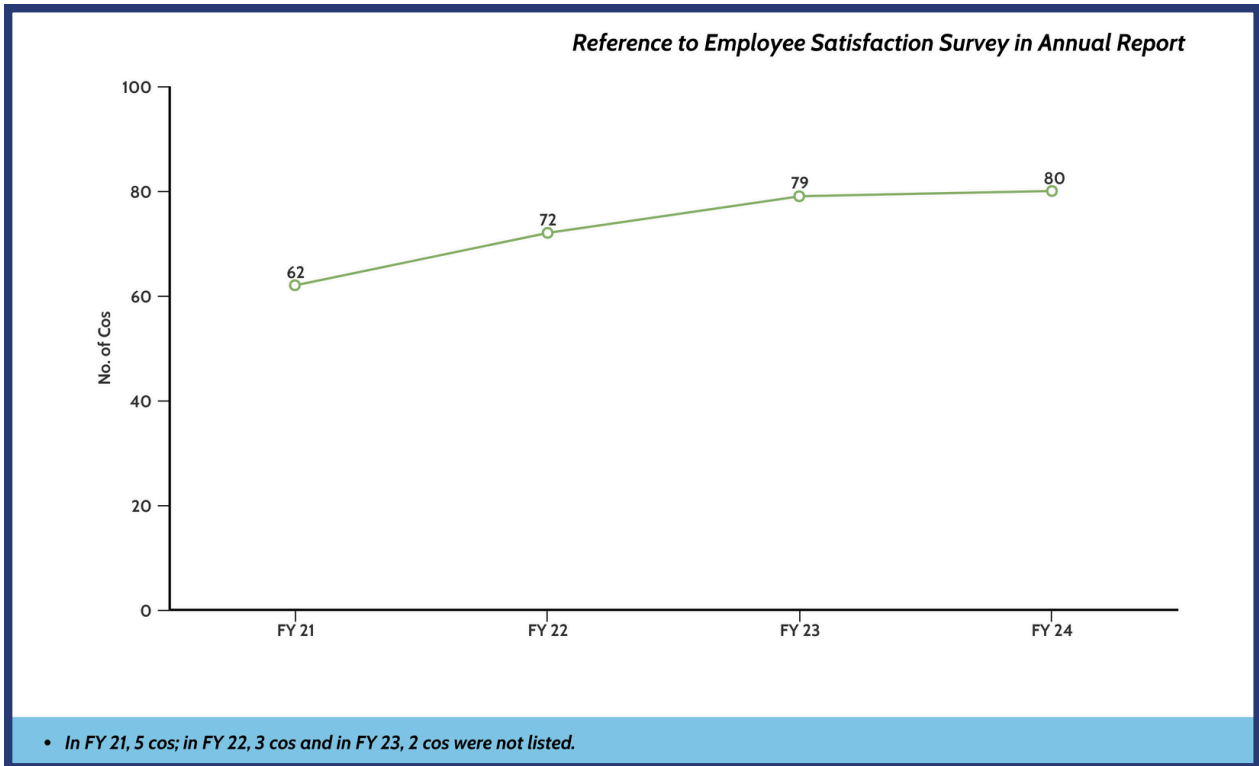
## ACTION TAKEN REPORT

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



- In 4 FYs, 19 companies are common.

## EMPLOYEE SATISFACTION SURVEY

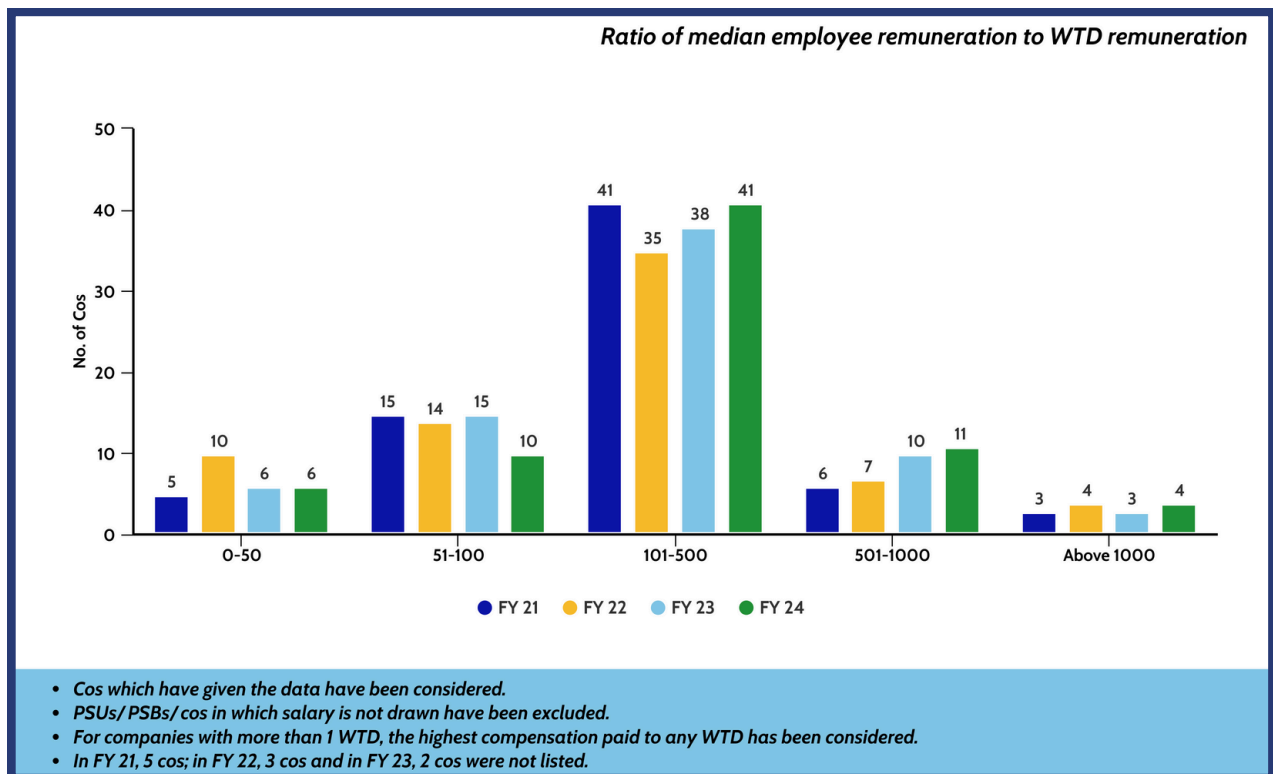


- In 4 FYs, 56 companies are common.

# MEDIAN COMPENSATION TO EMPLOYEES

- As per Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 –
  - Every listed company shall disclose in the Board's report-
    - the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;

Executive compensation, especially its increase in recent times, has been a matter receiving increasing attention. Over-compensating senior personnel, when there are job cuts, salary cuts, and the like, at other levels, does not reflect well on the company. The comparison between the compensation of a WTD, and the mean compensation of the workforce, is often a good indicator.



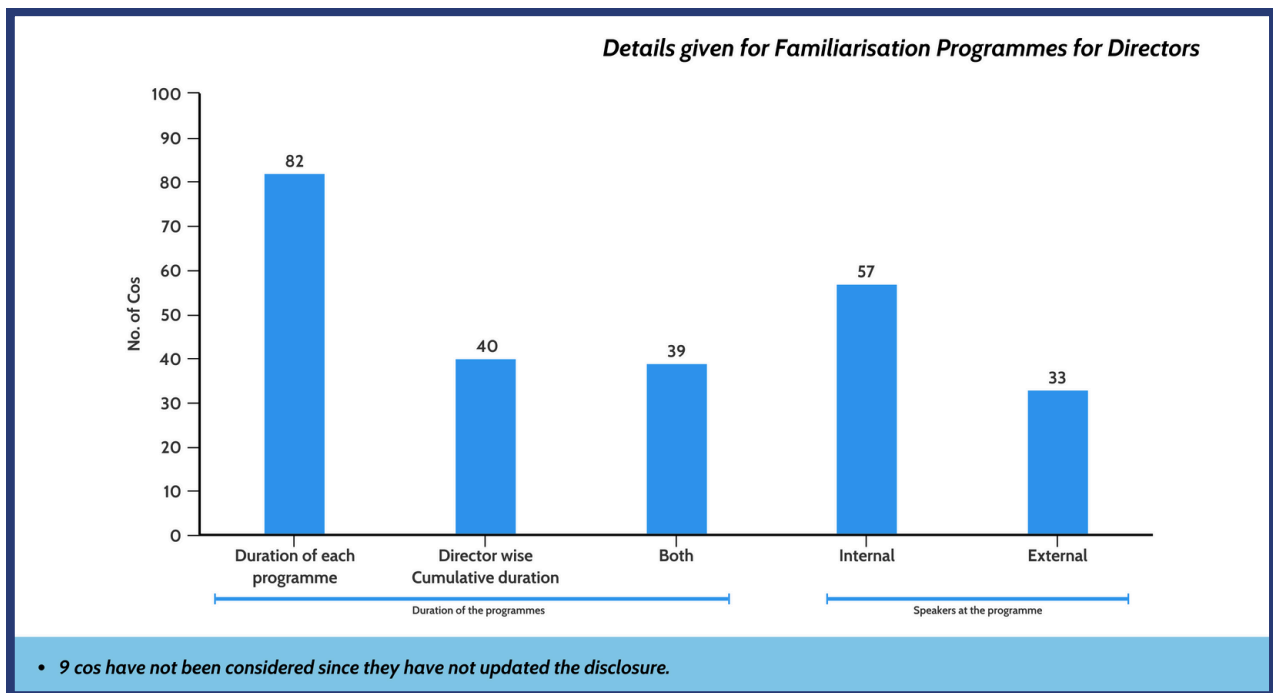
- 21 PSUs/ PSBs are exempt from giving these details.
- For companies with more than 1 WTD, the highest compensation paid to any WTD has been considered.
- In FY 21, FY 22, FY 23 and FY 24, lowest ratio to median was 3.05, 5.25, 8.99 and 28.49 respectively.
- In FY 21, FY 22, FY 23 and FY 24, highest ratio to median was 1868, 2731, 5388 and 1844 respectively.

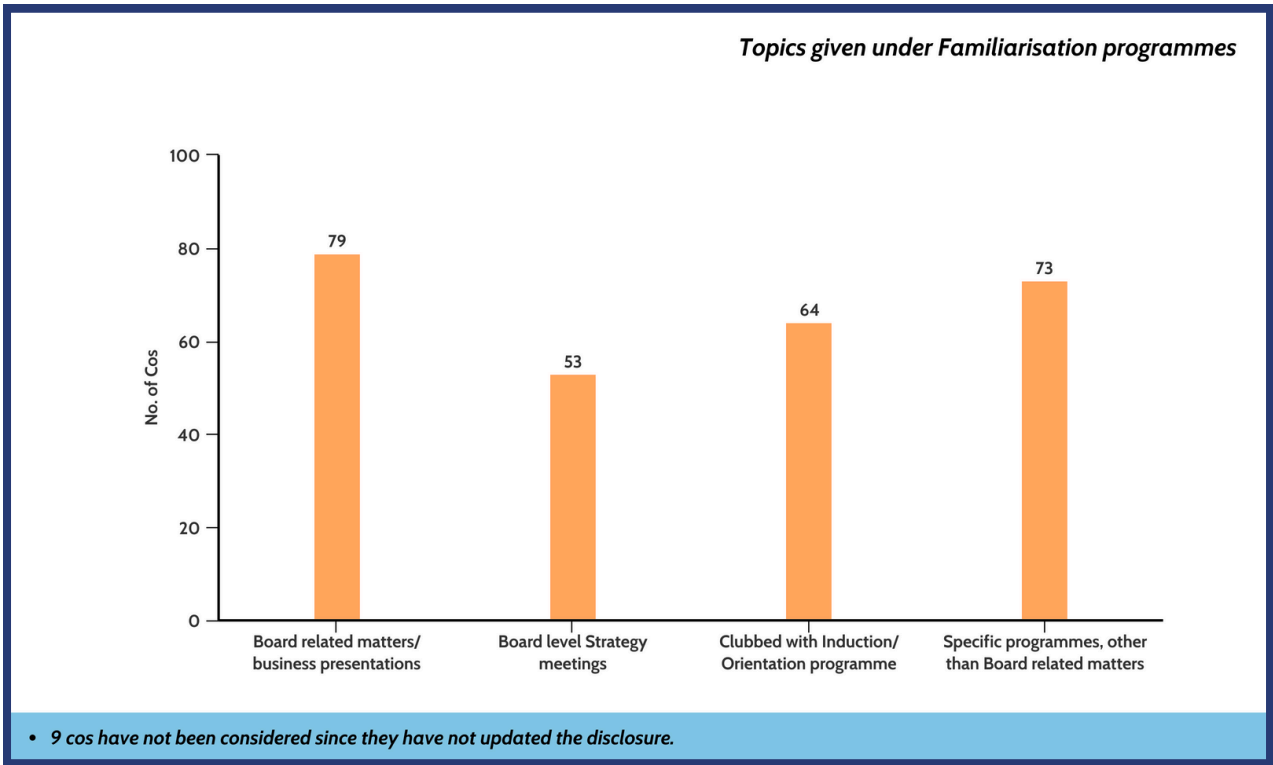
# POLICIES

## 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

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.





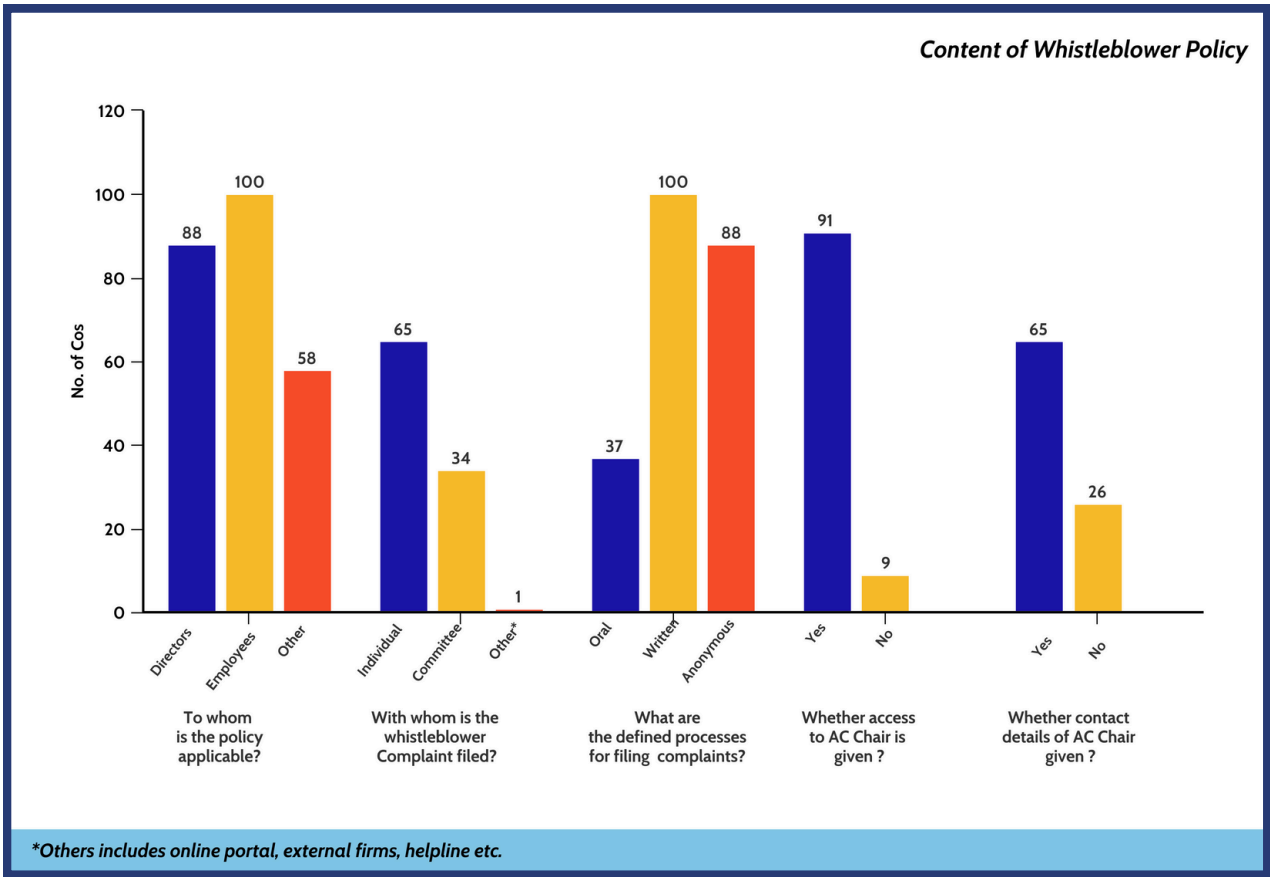
This is an area where some confusion persists regarding the content of the familiarisation programme. Taking advantage of this, some companies have included even interaction with KMPs/SMPs as a familiarisation programme for the Directors.



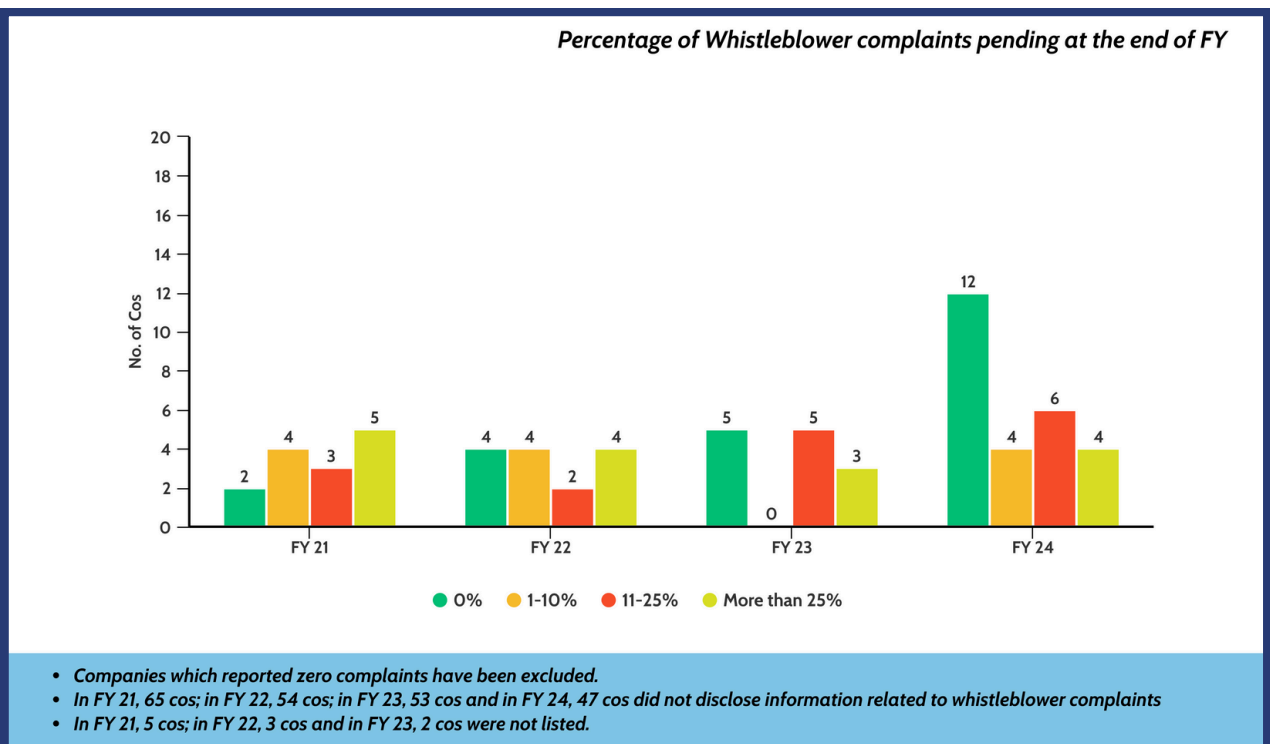
## VIGIL/ WHISTLEBLOWER MECHANISM

- *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.

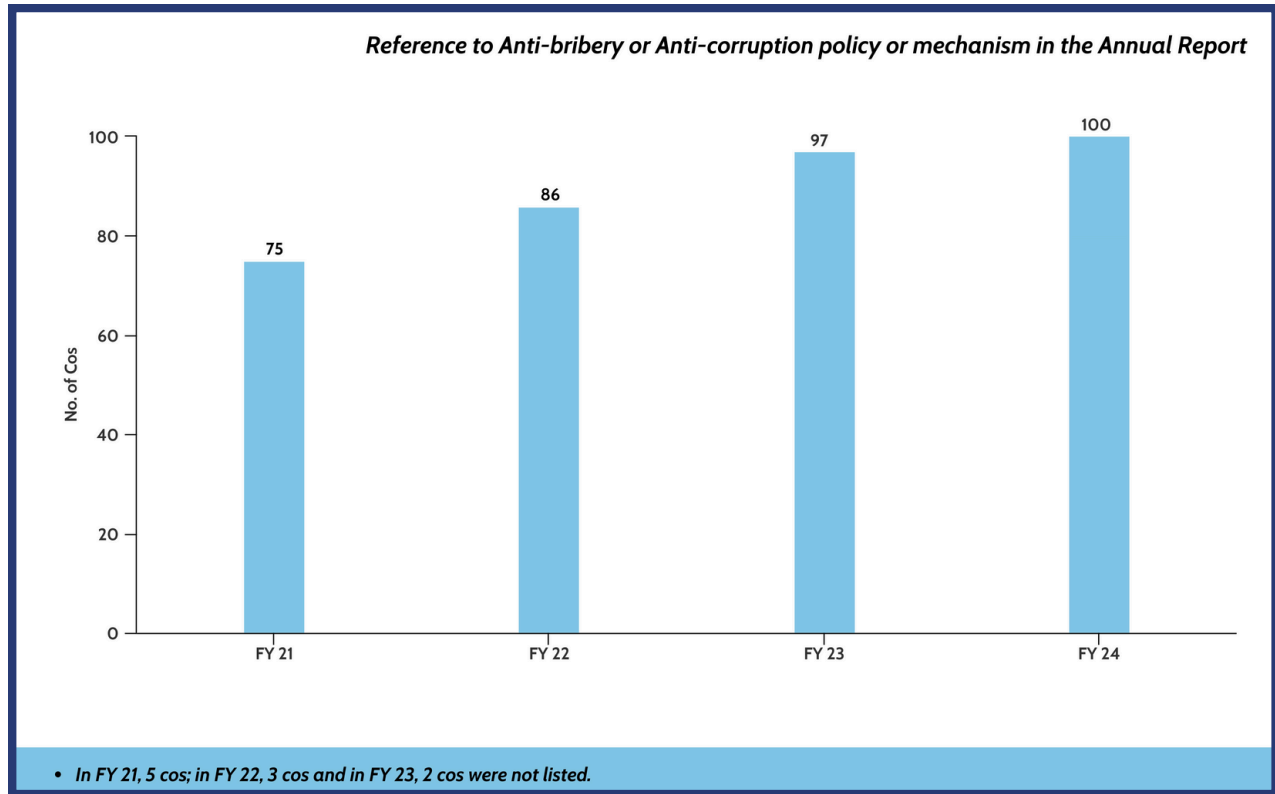


- Out of 91 policies which provide an access to the Chair of AC,
  - 26 have given an email id and an address of the Chair of AC.
  - 47 have given only an email id. Of these, 17 are general email ids.
  - 44 have given an address. Of these, 34 are company addresses and 10 are personal addresses of Chairs of ACs.



- In FY 21, FY 22, FY 23 and FY 24, 16, 30, 32 and 27 companies reported receiving 0 complaints.
- The highest number of reported cases in FY 21 were 870 cases; in FY 22 were 845 cases, in FY 23 were 303 cases and in FY 24 were 494. Of these, 4.37%, 28.88%, 47.85% and 42.71% respectively were complaints pending for resolution at the end of the FY.

## REFERENCE TO ANTI BRIBERY/ ANTI CORRUPTION



- In all 4 FYs, 75 companies continued to make such disclosures.

# ANNEXURE-1

*List of NIFTY 100 companies as on March 31, 2024. These companies have been considered for the survey.*

ABB India Limited	IndusInd Bank Limited
Adani Energy Solutions Limited	Infosys Limited
Adani Enterprises Limited	InterGlobe Aviation Limited
Adani Green Energy Limited	ITC Limited
Adani Ports and Special Economic Zone Limited	Jindal Steel & Power Limited
Adani Power Limited	Jio Financial Services Limited
Adani Total Gas Limited	JSW Energy Limited
Ambuja Cements Limited	JSW Steel Limited
Apollo Hospitals Enterprise Limited	Kotak Mahindra Bank Limited
Asian Paints Limited	Larsen & Toubro Limited
Avenue Supermarts Limited	Life Insurance Corporation Of India
Axis Bank Limited	LTIMindtree Limited
Bajaj Auto Limited	Macrotech Developers Limited
Bajaj Finance Limited	Mahindra & Mahindra Limited
Bajaj Finserv Limited	Mankind Pharma Limited
Bajaj Holdings & Investment Limited	Maruti Suzuki India Limited
Bank of Baroda	Nestle India Limited
Bharat Electronics Limited	NHPC Limited
Bharat Heavy Electricals Limited	NTPC Limited
Bharat Petroleum Corporation Limited	Oil & Natural Gas Corporation Limited
Bharti Airtel Limited	Pidilite Industries Limited
Bosch Limited	Power Finance Corporation Limited
Britannia Industries Limited	Power Grid Corporation of India Limited
Canara Bank	Punjab National Bank
Cholamandalam Investment and Finance Company Limited	REC Limited
Cipla Limited	Reliance Industries Limited
Coal India Limited	SBI Life Insurance Company Limited
Dabur India Limited	SHREE CEMENT LIMITED
Divi's Laboratories Limited	Shriram Finance Limited
DLF Limited	Siemens Limited
Dr. Reddy's Laboratories Limited	State Bank of India
Eicher Motors Limited	Sun Pharmaceutical Industries Limited
GAIL (India) Limited	Tata Consultancy Services Limited
Godrej Consumer Products Limited	TATA CONSUMER PRODUCTS LIMITED
Grasim Industries Limited	Tata Motors Limited
Havells India Limited	Tata Power Company Limited
HCL Technologies Limited	Tata Steel Limited
HDFC Bank Limited	Tech Mahindra Limited
HDFC Life Insurance Company Limited	The Indian Hotels Company Limited
Hero MotoCorp Limited	Titan Company Limited
Hindalco Industries Limited	Torrent Pharmaceuticals Limited
Hindustan Aeronautics Limited	Trent Limited
Hindustan Unilever Limited	TVS Motor Company Limited
Hindustan Zinc Limited	UltraTech Cement Limited
ICICI Bank Limited	Union Bank of India
ICICI Prudential Life Insurance Company Limited	Varun Beverages Limited
IDBI Bank Limited	Vedanta Limited
Indian Oil Corporation Limited	Wipro Limited
Indian Overseas Bank	Zomato Limited
Indian Railway Finance Corporation Limited	Zydus Lifesciences Limited

# ANNEXURE-2

## Shareholding pattern as on March 31, 2024 as per BSE website

S. No.	Name of the Company	Percentage of shareholding			
		Promoter	Institutional shareholders	Govt	Non-institutional shareholders
1	ABB India Limited	75	17.84	0	7.15
2	Adani Energy Solutions Limited	73.22	21.29	0	5.49
3	Adani Enterprises Limited	72.61	20.18	0	7.21
4	Adani Green Energy Limited	56.37	19.7	0	23.93
5	Adani Ports and Special Economic Zone Limited	65.89	26.81	0	7.3
6	Adani Power Limited	71.75	17.32	0	10.93
7	Adani Total Gas Limited	74.8	19.26	0	5.94
8	Ambuja Cements Limited	70.33	22.84	0	6.84
9	Apollo Hospitals Enterprise Limited	29.33	65.18	0.23	5.26
10	Asian Paints Limited	52.63	27.55	0	19.79
11	Avenue Supermarts Limited	74.65	16.85	0	8.5
12	Axis Bank Limited	8.22	83.97	0	7.82
13	Bajaj Auto Limited	55.06	23.06	0	21.88
14	Bajaj Finance Limited	54.69	34.97	0	10.19
15	Bajaj Finserv Limited	60.69	15.75	0	23.38
16	Bajaj Holdings & Investment Limited	51.46	17.64	0	30.9
17	Bank of Baroda	63.97	28.7	0	7.33
18	Bharat Electronics Limited	51.14	40.2	0	8.66
19	Bharat Heavy Electricals Limited	63.17	24.69	0	12.13
20	Bharat Petroleum Corporation Limited	52.98	38.09	0.94	7.99
21	Bharti Airtel Limited	53.49	43.7	0	2.76
22	Bosch Limited	70.54	21.31	0	8.15
23	Britannia Industries Limited	50.55	34	0	15.45
24	Canara Bank	62.93	24.95	0	12.11
25	Cholamandalam Investment and Finance Company Limited	50.35	43.04	0	6.61
26	Cipla Limited	33.47	50.25	0	16.28
27	Coal India Limited	63.13	31.6	0.11	5.16
28	Dabur India Limited	66.25	28.39	0	5.36
29	Divi's Laboratories Limited	51.92	36.89	0	11.19
30	DLF Limited	74.08	21.3	0	4.62
31	Dr. Reddy's Laboratories Limited	26.65	62.8	0	10.38
32	Eicher Motors Limited	49.15	40.09	0	10.76
33	GAIL (India) Limited	51.9	33.85	7.51	6.75
34	Godrej Consumer Products Limited	63.21	31.51	0	5.29
35	Grasim Industries Limited	43.06	33.18	0	23.46
36	Havells India Limited	59.43	34.71	0	5.85
37	HCL Technologies Limited	60.81	34.64	0	4.34
38	HDFC Bank Limited	0	81.43	0	18.57
39	HDFC Life Insurance Company Limited	50.37	37.97	0	11.64
40	Hero MotoCorp Limited	34.76	56.69	0	8.55
41	Hindalco Industries Limited	34.64	56.32	0.23	8.35
42	Hindustan Aeronautics Limited	71.64	22	0	6.37
43	Hindustan Unilever Limited	61.9	25.94	0	38.1
44	Hindustan Zinc Limited	64.92	3.58	29.54	1.97
45	ICICI Bank Limited	0	90.12	0.28	9.6
46	ICICI Prudential Life Insurance Company Limited	73.24	21.9	0	4.86
47	IDBI Bank Limited	94.71	0.61	0.01	4.66
48	Indian Oil Corporation Limited	51.5	18.83	19.48	10.2
49	Indian Overseas Bank	96.38	1.34	0	2.28
50	Indian Railway Finance Corporation Limited	86.36	1.97	0	11.67

51	IndusInd Bank Limited	16.4	68.83	0	14.77
52	Infosys Limited	14.71	70	0.02	14.96
53	InterGlobe Aviation Limited	57.29	38.76	0	3.95
54	ITC Limited	0	84.72	0.04	15.25
55	Jindal Steel & Power Limited	61.2	26.66	0	10.41
56	Jio Financial Services Limited	47.12	32.05	0.08	20.75
57	JSW Energy Limited	73.67	17.88	0	8.24
58	JSW Steel Limited	44.81	35.88	0.51	18.44
59	Kotak Mahindra Bank Limited	25.9	61.02	0	13.07
60	Larsen & Toubro Limited	0	62.58	0.23	37.19
61	Life Insurance Corporation Of India	96.5	1.01	0	2.49
62	LTIMindtree Limited	68.6	21.44	0	9.95
63	MacroTech Developers Limited	72.16	27.11	0	0.73
64	Mahindra & Mahindra Limited	18.59	67.88	0.07	9.7
65	Mankind Pharma Limited	74.88	21.01	0	4.11
66	Maruti Suzuki India Limited	58.19	38.64	0	3.17
67	Nestle India Limited	62.76	21.14	0	16.09
68	NHPC Limited	67.4	18.1	1.28	13.21
69	NTPC Limited	51.1	45.41	0.11	3.38
70	Oil & Natural Gas Corporation Limited	58.89	27.76	10.3	3.05
71	Pidilite Industries Limited	69.77	20.25	0	9.98
72	Power Finance Corporation Limited	55.99	35.45	0	8.55
73	Power Grid Corporation of India Limited	51.34	45.11	0	3.56
74	Punjab National Bank	73.15	17.18	0	9.67
75	REC Limited	52.63	35.36	0.05	11.95
76	Reliance Industries Limited	50.31	39.15	0.12	10.42
77	SBI Life Insurance Company Limited	55.42	40.57	0	4.01
78	SHREE CEMENT LIMITED	62.55	24.82	0	12.63
79	Shriram Finance Limited	25.42	69.59	0	4.99
80	Siemens Limited	75	15.71	0	9.28
81	State Bank of India	57.54	35.05	0.03	7.38
82	Sun Pharmaceutical Industries Limited	54.48	36.55	0	8.97
83	Tata Consultancy Services Limited	71.77	23.37	0	4.86
84	TATA CONSUMER PRODUCTS LIMITED	33.55	42.85	0.01	23.58
85	Tata Motors Limited	46.36	35.28	0.06	18.3
86	Tata Power Company Limited	46.86	25.23	0.01	27.9
87	Tata Steel Limited	33.19	43.94	0.01	22.86
88	Tech Mahindra Limited	35.09	53.67	0.17	11.07
89	The Indian Hotels Company Limited	38.12	45.25	0.01	16.62
90	Titan Company Limited	52.9	29.46	0	17.55
91	Torrent Pharmaceuticals Limited	71.25	21.4	0	7.36
92	Trent Limited	37.01	40.71	0	22.28
93	TVS Motor Company Limited	50.27	41.09	0	8.65
94	UltraTech Cement Limited	59.95	32.5	0.05	7.31
95	Union Bank of India	74.76	19.01	0	6.24
96	Varun Beverages Limited	62.91	29.93	0	7.16
97	Vedanta Limited	61.95	21.93	0.07	15.87
98	Wipro Limited	72.89	17.64	0	9.37
99	Zomato Limited	0	70.38	0	28.04
100	Zydus Lifesciences Limited	74.98	18.35	0	6.66

# 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'etre*. 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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