excellence enablers
CORPORATE GOVERNANCE SPECIALISTS
(AN M. DAMODARAN INITIATIVE)

ANNUAL CORPORATE GOVERNANCE SURVEY OF TOP 100 COMPANIES

7th Edition

www.excellenceenablers.com

INDEX

Glossary 6
About the Survey 7
Methodology 8
Disclaimer 9
Year of Listing 10
City of Registered Office 10
Board Composition 11
Size of Board 11
Percentage of NEDs (including IDs) 12
Percentage of IDs 13
Percentage of EDs / WTDs 14
Separation of Posts of Chair and MD 15
Executive Leadership Structure and Accountability 15
Appointment of Lead ID 16
Diversity on Boards 17
Gender Diversity 17
Geographical Diversity 20
Age Diversity 21
Expertise / Skill Diversity 22
Directorships in Multiple Companies 24
Tenure of Directors 25
Tenure of Chairs 25
Tenure of IDs 25
Tenure of Chairs of Committees 27
Terms of IDs 30
Number of Board Meetings 31
Attendance of Directors in Board Meetings 32
Duration of Board Meetings 33
Dedicated Strategy Meeting 34
Committees 35
Audit Committee 35
Composition of AC 35
AC with only IDs 36
Attendance of AC members 36
Common Chair of Board and AC 37
Executive Chairperson/ CMD/ MD as a member of AC 38
MD as a Permanent Invitee to AC 38
Statutory Auditors and/or Internal Auditors meeting AC without the presence of Management 39
Number of meetings of AC 40
Nomination and Remuneration Committee 41
Composition of NRC 41
NRC with only IDs 42
Chair of Board as a member of NRC 42
Attendance of NRC members 43
Number of meetings of NRC 44
Stakeholders Relationship Committee 45
Composition of SRC 45
Percentage of IDs in SRC 46
ID as Chair of SRC 46
Attendance of SRC members 47
Number of meetings of SRC 48

INDEX

Complaints under SRC 49
Pending Investor Complaints 50
Scope of SRC 50
Shares pledged by promoters 51
Corporate Social Responsibility Committee 53
Composition of CSRC 53
Category of Director chairing CSRC 53
Attendance of CSRC members 54
Number of meetings of CSRC 55
Employee Volunteering in CSR 56
Risk Management Committee 57
Composition of RMC 57
RMCs with only Board Members 58
RMCs with only IDs 58
ID as Chair of RMC 59
Common Chair between AC and RMC 59
Common membership between AC and RMC 60
Attendance of RMC Members 61
Number of meetings of RMC 61
Top 8 risks identified by companies 63
Cyber Security incidents 64
Presence of Chief Risk Officer 65
Committee Handling ESG/ Sustainability 66
Quorum in Board and Committee Meetings 67
Committee Membership 68
Distribution of committee membership among IDs 68
Change in Chairs of committees 69
Reason for changes in Chairs of committees 69
Same Director chairing multiple committees 70
Non-Compliance in Composition 71
Annual General Meetings 72
Month in which AGM was held 72
Mode of AGM 73
Days between finalisation of accounts and date of AGM 73
Duration of AGMs 74
Attendance at AGMs 75
Attendance of Chairs of Boards and Committees at AGMs 76
Attendance of Chairs of Boards and Committees at AGMs held in 2026 77
Presence of Statutory and Secretarial Auditors in AGMs 77
Attendance of Shareholders in AGMs 78
Companies inviting shareholder questions in advance 79
Resolutions 80
Voting pattern of resolutions in the last 1 year 80
Resolution relating to appointment/re-appointment of IDs 81
Resolutions relating to remuneration of WTD 81
Shareholder Satisfaction Survey 82
Response to Shareholder Satisfaction Survey 82
Separate meeting of IDs 83
Number of meetings 83
Quarter(s) in which held 84
Compensation to Directors 85
Sitting fees paid for Board meetings 85

INDEX

Sitting fees paid for Committee meetings....87
Sitting fees paid for separate meeting of IDs....90
Profit Linked Commission....91
Percentage of Profit Linked Commission paid to Directors....93
ESOP and/or variable pay to Executive Directors....94
Reference to Clawback of salary....94
Reasons mentioned for resignation of IDs....95
Reasons mentioned for resignation of KMPs....96
Succession Planning....97
Corporate Social Responsibility....98
Unspent amount of CSR....98
Impact assessment of CSR activities....100
Creation/ Acquisition of a Capital Asset....101
Disclosure relating to POSH....102
Complaints Upheld....103
Workshops for POSH....103
Board level Committee handling POSH....105
Auditors....106
Statutory Auditor....106
Single or Joint....106
Audit fee breakup....106
Statutory Audit Report....106
Internal Auditor....107
Secretarial Auditor....108
Rotation of Secretarial Auditor....108
Secretarial Audit Report....108
Secretarial Audit Report of material unlisted subsidiaries....109
Secretarial Compliance Report....110
Compliance Certificate from Auditors/ PCS....111
Compliance Management System....111
Board Evaluation....112
Mode....112
Methodology....113
Categories evaluated....114
Top parameters for each category....114
Feedback and Action plan....116
Reference to flow of information....117
Role of NRC in Board Evaluation....117
Discretionary requirements under SEBI LODR Regulations, 2015....118
D&O Liability Insurance Policy....120
Other processes....121
Annual Calendar....121
Board Portal....121
Action Taken Report....122
Employee Satisfaction Survey....123
Median compensation to employees....124

INDEX

Policies.....125
Familiarisation programme.....125
Vigil/ Whistleblower mechanism.....127
Programmes for awareness of Prohibition of Insider Trading.....130
Reference to Anti-bribery/ Anti-corruption.....131
Annexure 1.....132
Annexure 2.....133

GLOSSARY

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

ABOUT THE SURVEY

Corporate Governance has continued to evolve, with companies facing increasingly diverse expectations from regulators, investors and other stakeholders. At the same time, the volume and range of information disclosed by companies has increased significantly. While this provides considerable insight into the policies and processes adopted by individual companies, it does not readily provide a consolidated and comparable picture of how the leading companies are performing across several aspects of Corporate Governance.

Excellence Enablers' 7th Edition of Annual Corporate Governance Survey of Top 100 companies seeks to provide such a perspective. The Survey brings together information available in the public domain and examines the performance and disclosures of the top companies by market capitalisation in the context of several legal and regulatory requirements. It seeks to present this information in a manner that enables companies and their stakeholders to understand the practices being followed across the corporate landscape.

Our belief continues to be that **Compliance and Corporate Governance are not synonymous.** Compliance is a response to requirements prescribed by law or regulation and represents the minimum that an entity is expected to do. Corporate Governance goes beyond this minimum. It is reflected in quality of oversight, the exercise of judgement, the manner in which decisions are taken, and the willingness to do what is right even when there is no specific requirement to do so.

Compliance with laws and regulations is non-negotiable for listed entities. However, a compliance-oriented, tick-box approach cannot by itself demonstrate good governance. **In our view, good Corporate Governance is about doing the right things, at the right time, in the right manner and for the right reasons. Practices adopted voluntarily by some companies have, over time, helped raise expectations across the corporate sector and, on occasions, have found their way into regulations.**

The Survey is not intended to be a fault-finding or finger-pointing exercise. Its purpose is to provide a basis for comparison, highlight practices from which others may learn, and draw attention to areas where companies may consider doing more. The experience of one company can provide useful learning for another, and differences in approach can encourage reflection on whether there are better ways of addressing a particular requirement.

We hope that this Survey will serve as useful reference material for companies, Boards, investors and other stakeholders, as well as for the academic community and Regulators. More importantly, we hope that it will encourage companies to look beyond what is prescribed and consider what more can be done to strengthen Corporate Governance in their specific context.

The pursuit of better Corporate Governance is a continuing journey. **There will always be newer expectations, emerging challenges and better practices to learn from. We hope this Survey contributes to that continuing endeavor.**

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.

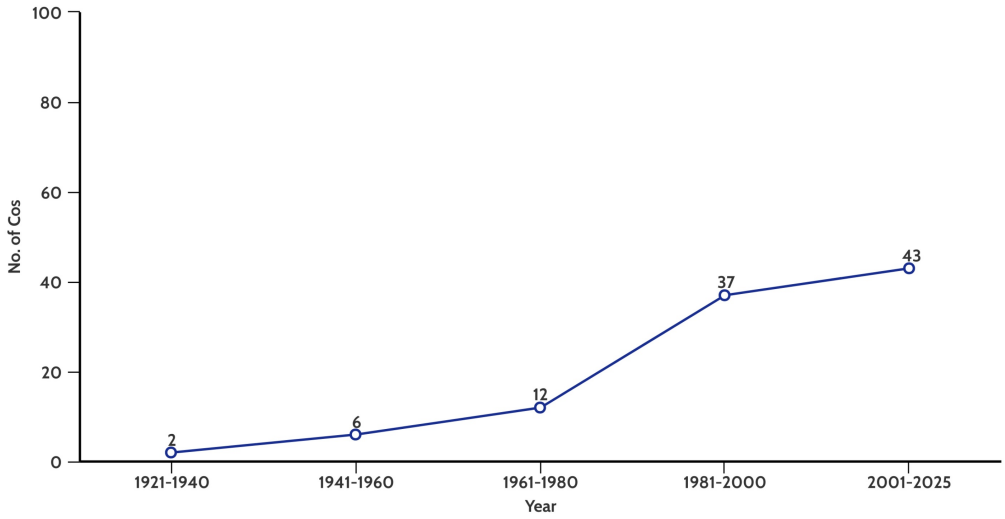
In this report, the parts mentioned in blue are the legal provisions relating to the relevant parameters. We have quoted only the sections/ sub-sections/ parts thereof which are relevant. We have also not made any changes to the language of any legal provision, and have chosen to live with drafting inelegance.

DISCLAIMER

- Source of all information in this Survey is the Annual Reports or Stock Exchange disclosures or the websites of the respective companies.
- 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 and Varun Beverages Ltd follow calendar year as their FY. Siemens Energy India Ltd follows October to September as its FY.
- Top 100 companies include
  - 13 PSUs - Bharat Electronics Ltd, Bharat Petroleum Corporation Ltd, Coal India Ltd, GAIL (India) Ltd, Hindustan Aeronautics Ltd, Indian Oil Corporation Ltd, Indian Railway Finance Corporation Ltd, Mazagon Dock Shipbuilders Ltd, NTPC Ltd, Oil & Natural Gas Corporation Ltd, Power Finance Corporation Ltd, Power Grid Corporation of India Ltd and REC Ltd.
  - 4 PSBs (SBI has not been considered as a PSB) – Bank of Baroda, Canara Bank, Punjab National Bank and Union Bank of India.
  - 2 Insurance companies - HDFC Life Insurance Co Ltd and SBI Life Insurance Company Ltd.
- 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.
- Following companies were not listed
  - As on 31 March 2023, 5 companies (Hyundai Motor India Ltd, Jio Financial Services Ltd, Siemens Energy India Ltd, Tata Capital Ltd and Tata Motors Ltd).
  - As on 31 March 2024, 4 companies (Hyundai Motor India Ltd, Siemens Energy India Ltd, Tata Capital Ltd and Tata Motors Ltd).
  - As on 31 March 2025, 3 companies (Siemens Energy India Ltd, Tata Capital Ltd and Tata Motors Ltd).

YEAR OF LISTING

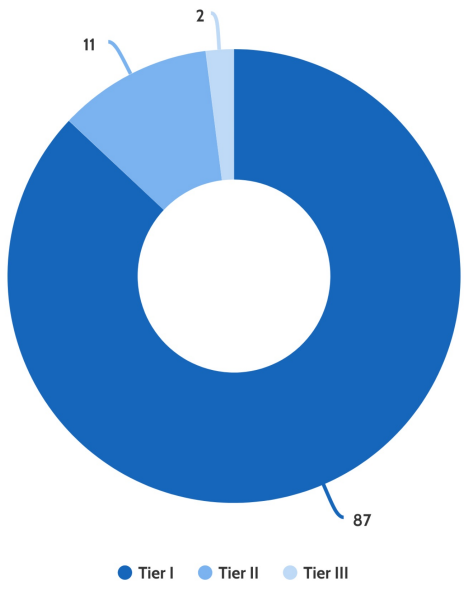
Listing year of cos



Source: As per Stock Exchange websites.

CITY OF REGISTERED OFFICE

City of Registered Office



Source: As per Stock Exchange websites.

BOARD COMPOSITION

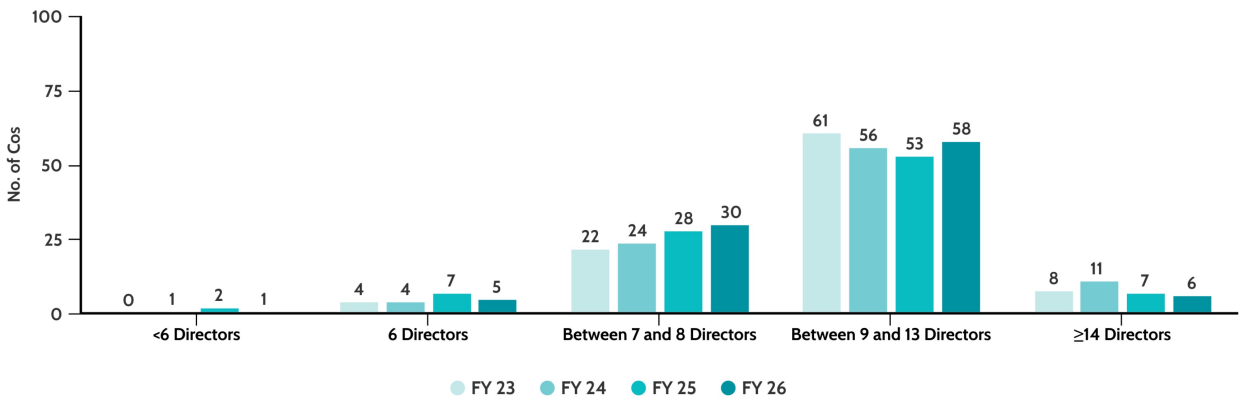
SIZE OF BOARD

- *As per Section 149(1) of the Companies Act, 2013, every company shall have a Board of Directors consisting of individuals as directors and shall have—*
  (a) a minimum number of three directors in the case of a public company, two directors in the case of a private company, and one director in the case of a One Person Company; and
  (b) a maximum of fifteen directors.
  Provided that a company may appoint more than fifteen Directors after passing a special resolution:

- *As per Regulation 17(1)(c) of SEBI LODR Regulations, 2015, the Board of Directors of the top 2000 listed entities shall comprise of not less than six directors.*

Board size is an important determinant of Board effectiveness. An appropriately sized Board enables effective distribution of committee responsibilities while allowing Directors adequate opportunity to contribute to Board deliberations. The Board should therefore be large enough to avoid excessive concentration of committee responsibilities, without compromising decision-making efficiency.

Size of Board



- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*

- In FY 23, minimum Board size was 6 each in 4 companies, and maximum Board size was 18.
- In FY 24, minimum Board size was 5 in 1 company, making it non-compliant, and maximum Board size was 20.
- In FY 25, minimum Board size was 4 in 1 company, making it non-compliant, and maximum Board size was 17.
- In FY 26, minimum Board size was 5 in 1 company, making it non-compliant, and maximum Board size was 17 for 2 companies.
- In previous 4 FYs, the average Board size
  - in FY 23 was 10.29.
  - in FY 24 was 10.30.
  - in FY 25 was 9.60.
  - in FY 26 was 9.57.

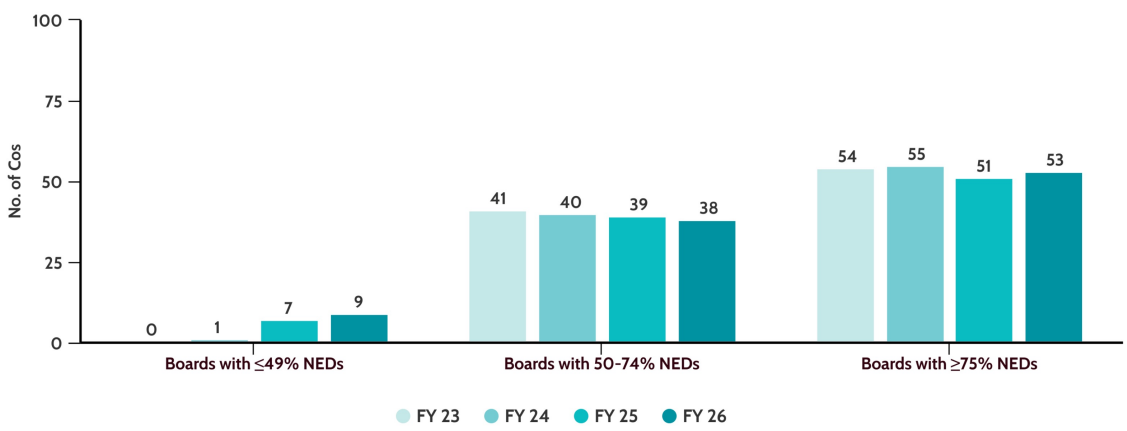
PERCENTAGE 0F NEDs (INCLUDING IDs)

- *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 and the Central Government may prescribe the minimum number of independent Directors in case of any class or classes of public companies.*

- *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)(a) 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.*

Percentage of NEDs (including IDs) in Boards



- ***For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.***

- Companies with less than 50% NEDs are non-compliant.

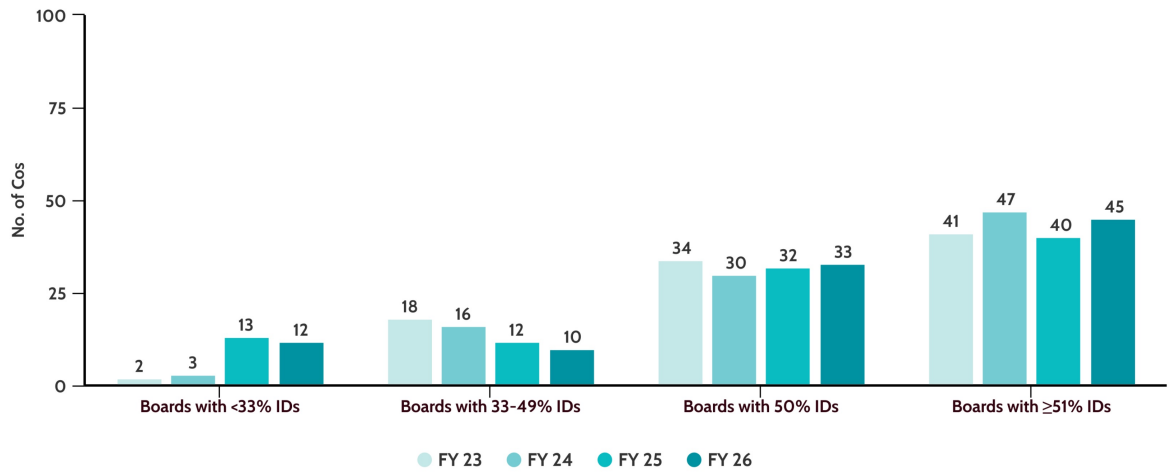
PERCENTAGE OF IDs

- *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 and the Central Government may prescribe the minimum number of independent Directors in case of any class or classes of public companies.*

- *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.

Effective Board deliberation benefits from both executive insight into the business and independent oversight. Executive Directors bring knowledge of operations and strategy, while Non-Executive Directors provide an outside perspective. An appropriate mix enables the Board to benefit from both.

Percentage of IDs on Boards



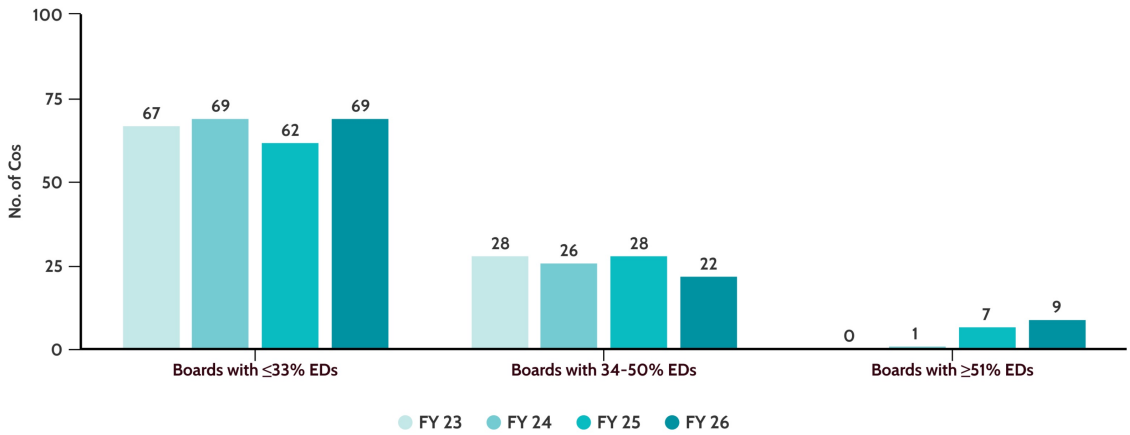
- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*

- The following number of companies had less than prescribed minimum number of IDs
  - As on March 31, 2023, 6 companies (of which 3 were PSUs).
  - As on March 31, 2024, 12 companies (of which 10 were PSUs and 1 was PSB).
  - As on March 31, 2025, 18 companies (of which 13 were PSUs and 3 were PSBs). These companies included 5 PSUs which had no IDs.
  - As on March 31, 2026, 17 companies (of which 12 were PSUs and 4 were PSBs). These companies included 4 PSUs which had no IDs.
  - In previous 4 FYs, 7 companies were common (of which 6 were PSUs).

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 percent of the board of directors shall comprise of non-executive directors.*

Percentage of EDs/WTDs in Boards



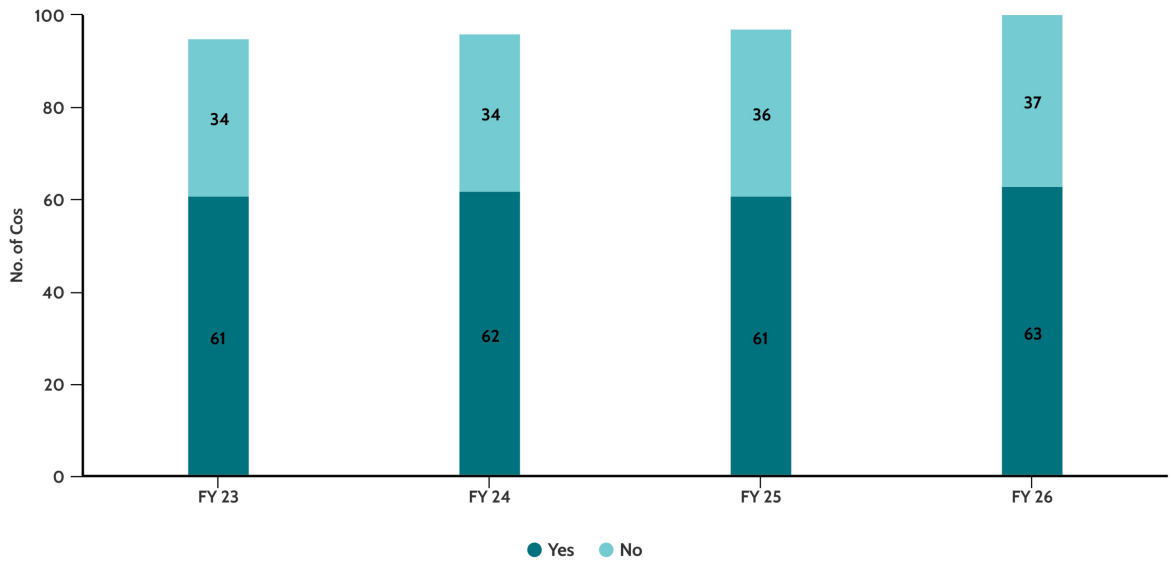
- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*

- Boards with only 1 WTD
  - in FY 23 were 25.
  - in FY 24 were 26.
  - in FY 25 were 30.
  - in FY 26 were 29.
- In previous 4 FYs, of these, 22 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 two 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.

Separation of positions of Chairperson and MD/CEO



- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*

- In FY 23, FY 24, FY 25, and FY 26, 21, 21, 23 and 23 non-PSU companies respectively had an Executive Chairperson or a CMD.
- In all 4 FYs, all 13 PSUs had a CMD.

EXECUTIVE LEADERSHIP STRUCTURE AND ACCOUNTABILITY

Our analysis of the Board structures of the top 100 listed companies brings out an important point about the separation of the Chairperson and MD/CEO. While a number of companies have clearly separated the two positions, the structure is not always as straightforward. In several companies, there are multiple executive positions at the top, including Executive Chairpersons, Executive Vice Chairpersons, MDs, JMDs, DMDs and Executive Directors. As a result, even where the Chairperson and MD/CEO are two different individuals, there may be more than one person exercising significant executive authority. This makes it difficult to assess separation only on the basis of different persons occupying the positions of Chairperson and MD/CEO.

The issue becomes particularly relevant where the company has an Executive Chairperson or Executive Vice Chairperson alongside an MD/CEO. In these structures, the MD/CEO may be the designated head of management, but the presence of other executive positions at the same level or above can make the actual division of responsibilities less apparent.

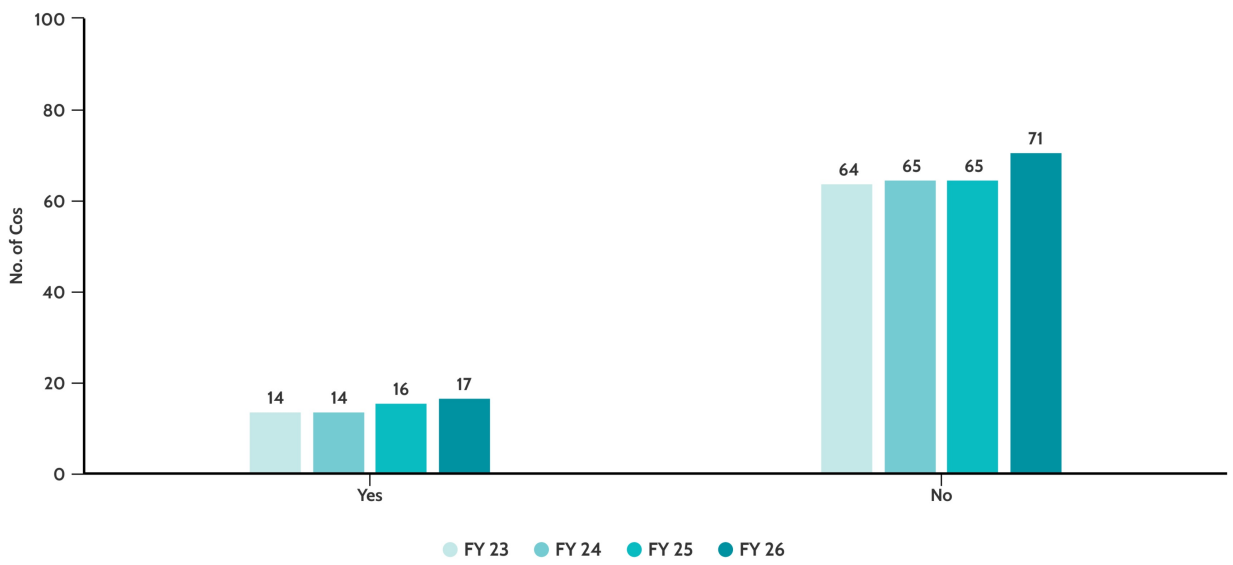
It also raises a more practical and fundamental governance question — who is ultimately responsible for running the company and accountable to the Board for its performance? A separate Chairperson and MD/CEO may therefore provide formal separation, but that does not necessarily mean that there is a clear separation of authority and accountability. The analysis suggests that the effectiveness of the structure needs to be looked at beyond the designation itself, particularly where multiple executive positions exist at the apex of the organisation.

In some companies, a former Chairperson continues to have a formal or advisory association with the company even after stepping down from the Board, and a new Chairperson and executive leadership team are in place. This creates an additional layer of leadership that is outside the formal Chair–MD structure and may be relevant when assessing the distribution of influence and accountability.

APPOINTMENT OF LEAD ID

Where the Chairperson is involved in executive management, a Lead Independent Director can facilitate coordination among Independent Directors and constructive engagement with the Chairperson, while ensuring that independent perspectives are adequately considered in Board deliberations.

Appointment of Lead ID



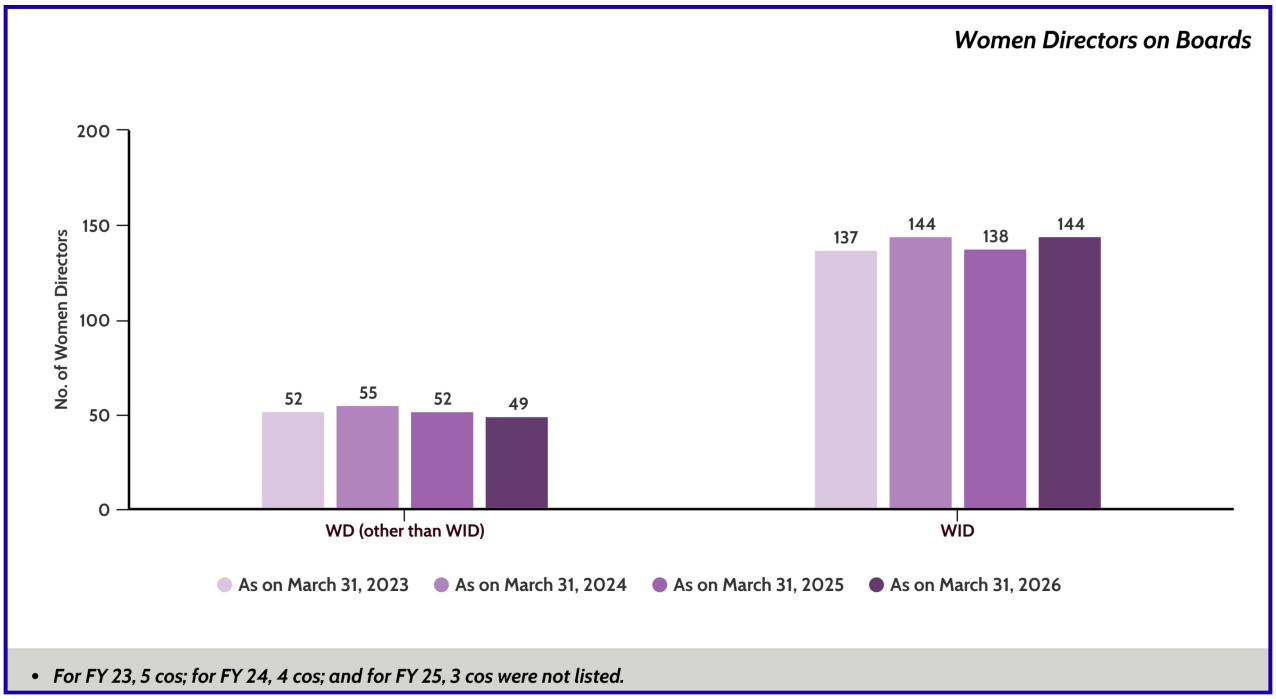
- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*

- In previous 4 FYs, 13 companies continued to appoint a Lead ID.

DIVERSITY ON BOARDS

GENDER DIVERSITY

The mandatory requirement for a woman Independent Director has ensured representation of women on Boards of listed companies. Meaningful gender diversity, however, requires a wider pipeline of women in senior management and leadership positions, including as Executive Directors, Board leaders and committee chairs.



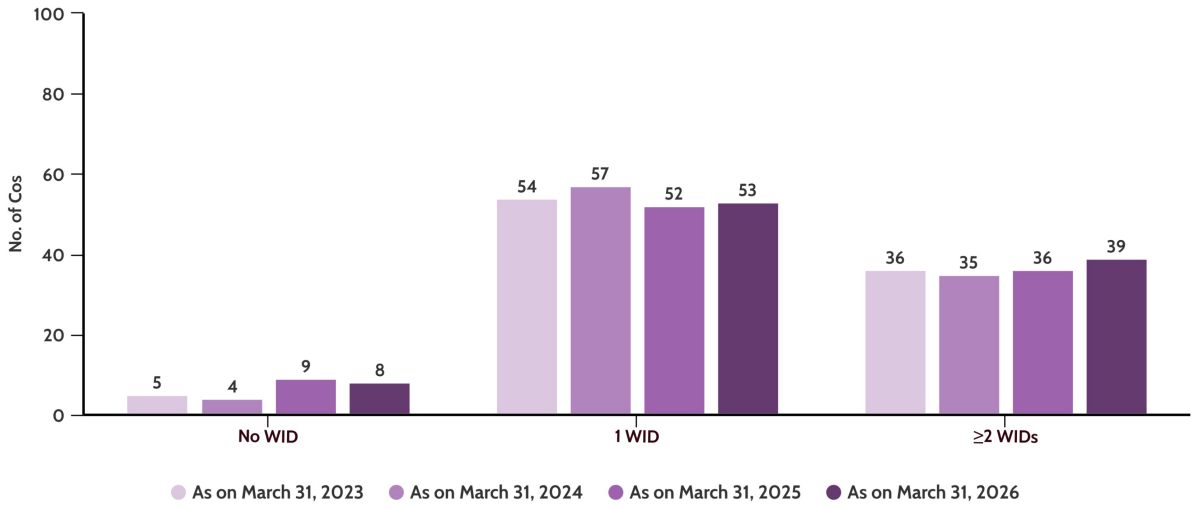
- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*

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.*

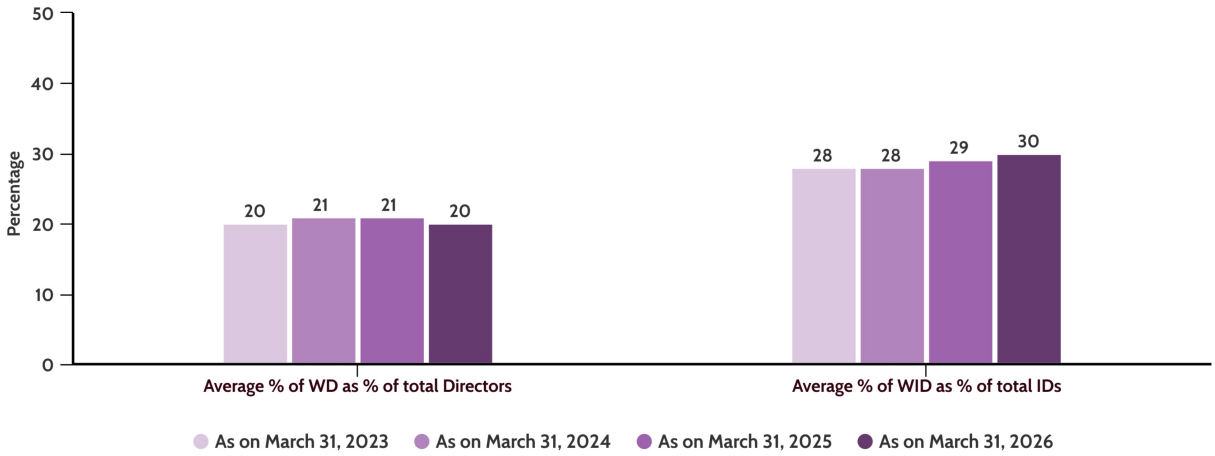
- *As per Regulation 17(1)(a) of SEBI LODR, 2015, Board of Directors shall have an optimum combination of executive and non-executive directors with at least one woman director and not less than fifty percent. of the board of directors shall comprise of non-executive directors; Provided that the Board of directors of the top 1000 listed entities shall have at least one independent woman director.*

Women IDs on Boards



- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*

Percentage of Women Directors on Boards



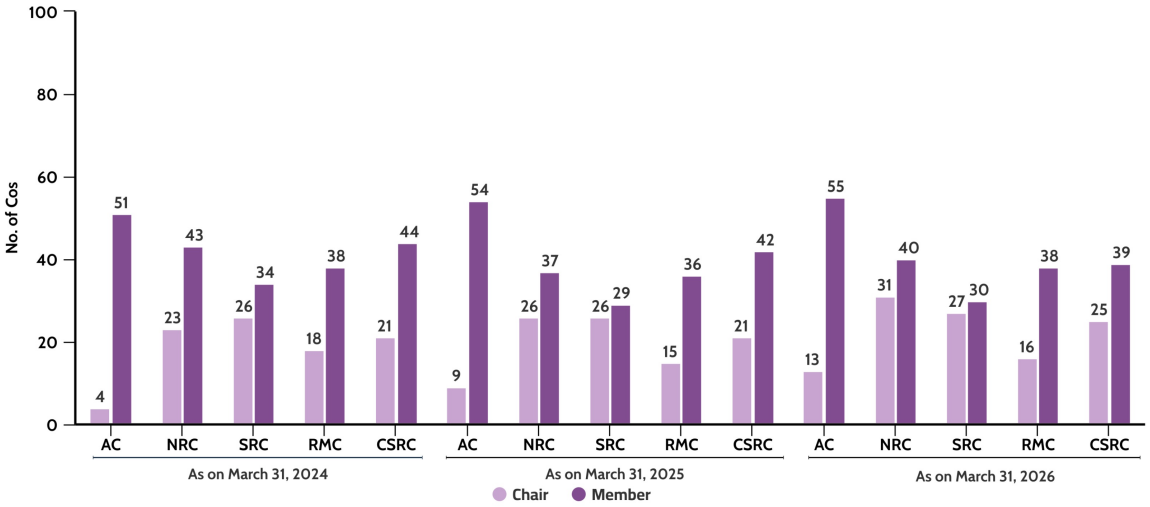
- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*

- The following number of companies had women MDs
  - As on March 31, 2023, 5 companies.
  - As on March 31, 2024, 5 companies.
  - As on March 31, 2025, 6 companies.
  - As on March 31, 2026, 5 companies.
- 1 company is common in all 4 FYs.

- The following number of companies had women Chairs
  - As on March 31, 2023, 4 companies.
  - As on March 31, 2024, 6 companies.
  - As on March 31, 2025, 5 companies.
  - As on March 31, 2026, 6 companies.
- 2 companies are common in all 4 FYs.

WOMEN DIRECTORS - REPRESENTATION ON COMMITTEES

Women Directors - Representation on committees

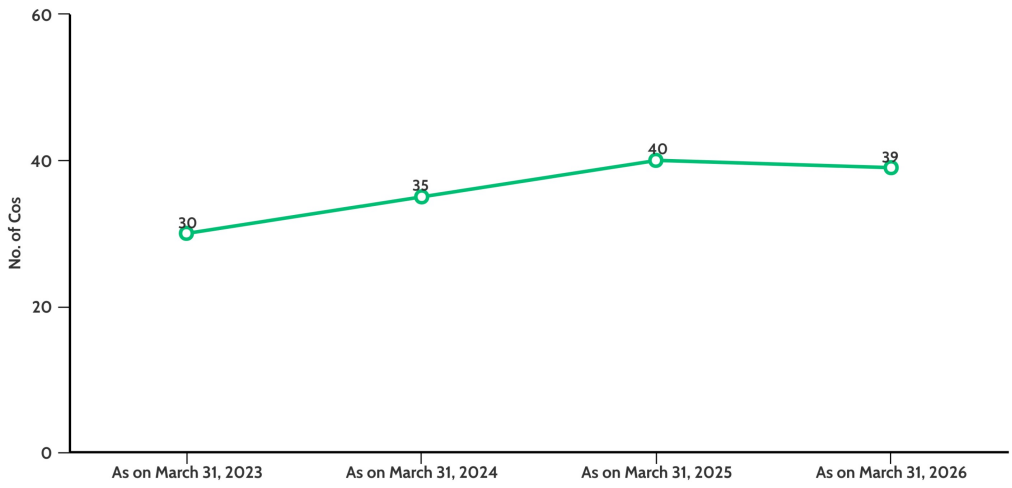


- *For FY 24, 4 cos; and for FY 25, 3 cos were not listed.*

- Following committees continued to have women Chairs in all 3 FYs
  - AC in 4 companies.
  - NRC in 17 companies.
  - SRC in 12 companies.
  - RMC in 9 companies.
  - CSRC in 13 companies.

WOMEN IN KMP POSITIONS

Women in KMP Positions



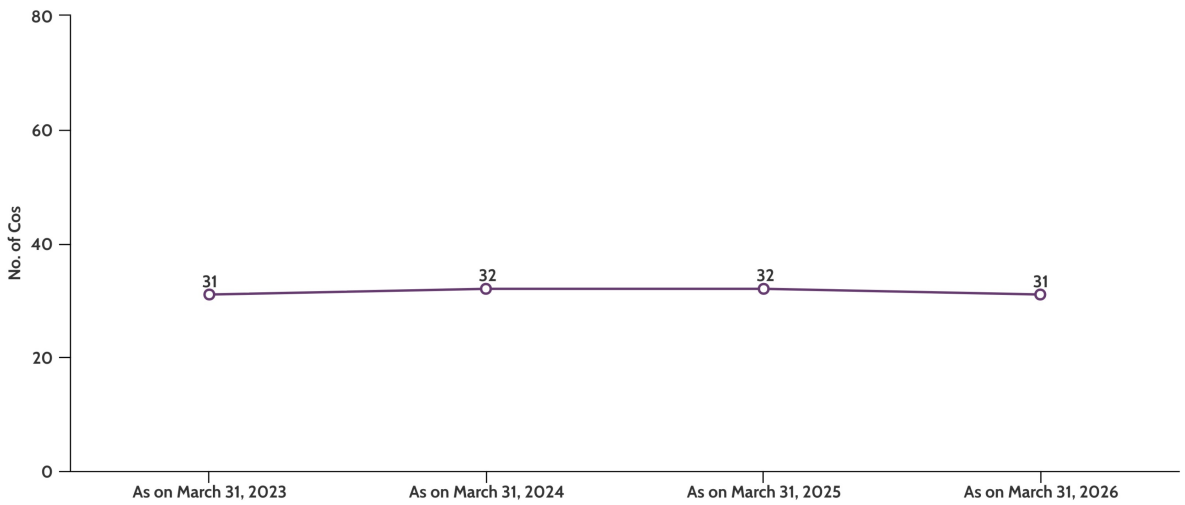
- *For FY 22, 5 cos; for FY 23, 4 cos and for FY 24, 3 cos were not listed.*

- In all 4 FYs, 23 companies had one or more woman as a KMP.
- In all 4 FYs, 17 companies had only one woman as a KMP.
- In FY 23 and FY 24, 3 companies, in FY 25, 4 companies and in FY 26, 3 companies had more than one woman as a KMP.

GEOGRAPHICAL DIVERSITY

As companies operate across diverse markets, geographical diversity can broaden the Board's understanding of different market, regulatory and cultural perspectives, particularly for companies with significant operations or stakeholders across regions.

Boards with non-Indian Directors#



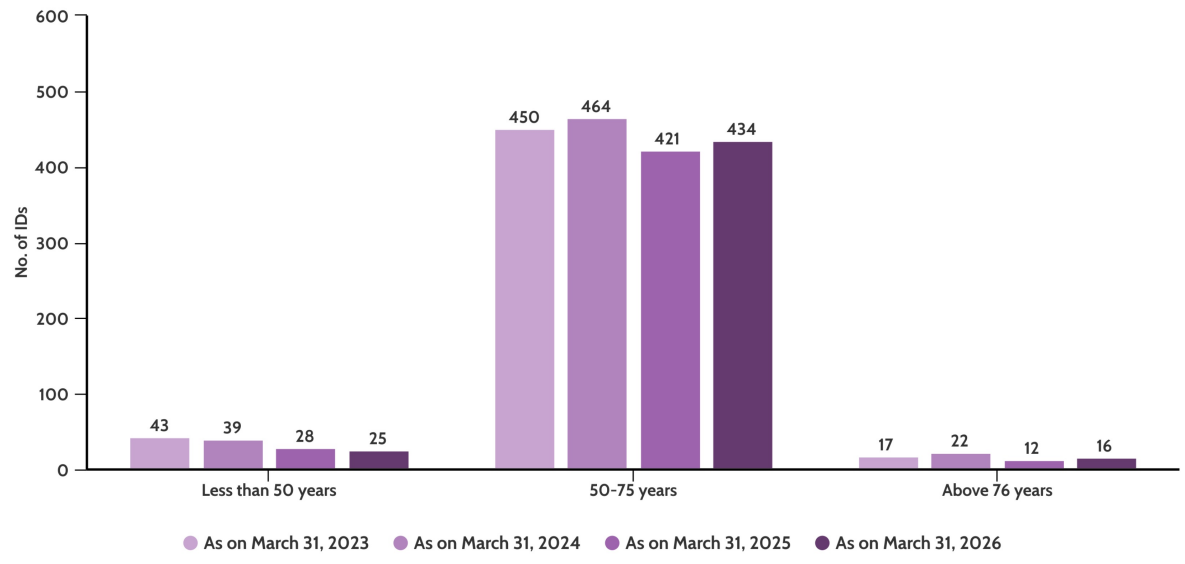
#Directors who are not Indian by origin are being classified as non-Indian Directors.
For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.

- In the previous 4 FYs, 26 companies continued to have non-Indian Directors on their Boards.
- Highest number of non-Indian Directors (both Executive and Non-Executive) on Boards
  - in FY 23 and FY 24 were 7.
  - in FY 25 and FY 26 were 6.

AGE DIVERSITY

The pace of change in business, particularly in technology and AI, makes age diversity increasingly relevant. Younger Directors can bring perspectives on emerging technologies and changing consumer expectations, while experienced Directors bring institutional knowledge. A mix of age groups can help Boards respond to change while retaining experience.

Age Diversity of IDs



- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*

- As on March 31, 2023, of the 510 IDs, the youngest ID was 36 years, and the oldest ID was 87 years.
- As on March 31, 2024, of the 525 IDs, the youngest ID was 37 years, and the oldest ID was 88 years.
- As on March 31, 2025, of the 461 IDs, the youngest ID was 38 years, and the oldest ID was 83 years.
- As on March 31, 2026, of the 475 IDs, the youngest ID was 39 years, and the oldest ID was 78 years.

AVERAGE AGE OF IDs

- As on March 31, 2023, the average age of 510 IDs was 63.19 years.
- As on March 31, 2024, the average age of 525 IDs was 63.56 years.
- As on March 31, 2025, the average age of 461 IDs was 63.51 years.
- As on March 31, 2026, the average age of 475 IDs was 63.95 years.

AVERAGE AGE OF CHAIR

- As on March 31, 2023, the average age of Chairs of 93 companies (5 companies were unlisted and 2 companies had no Chairs) was 63.26 years.
- As on March 31, 2024, the average age of Chairs of 95 companies (4 companies were unlisted and 1 company had no Chair) was 63.78 years.
- As on March 31, 2025, the average age of Chairs of 96 companies (3 companies were unlisted and 1 company had no Chair) was 63.86 years.
- As on March 31, 2026, the average age of Chairs of 98 companies (2 companies had no Chair) was 64.03 years.

AVERAGE AGE OF NEWLY APPOINTED DIRECTORS

- In FY 24,
  - Average age of Directors appointed was 57.26 years.
  - Average age of IDs appointed was 61.88 years.
- In FY 25,
  - Average age of Directors appointed was 58.59 years.
  - Average age of IDs appointed was 61.24 years.
- In FY 26,
  - Average age of Directors appointed was 58.55 years.
  - Average age of IDs appointed was 62.12 years.

EXPERTISE/ SKILL DIVERSITY

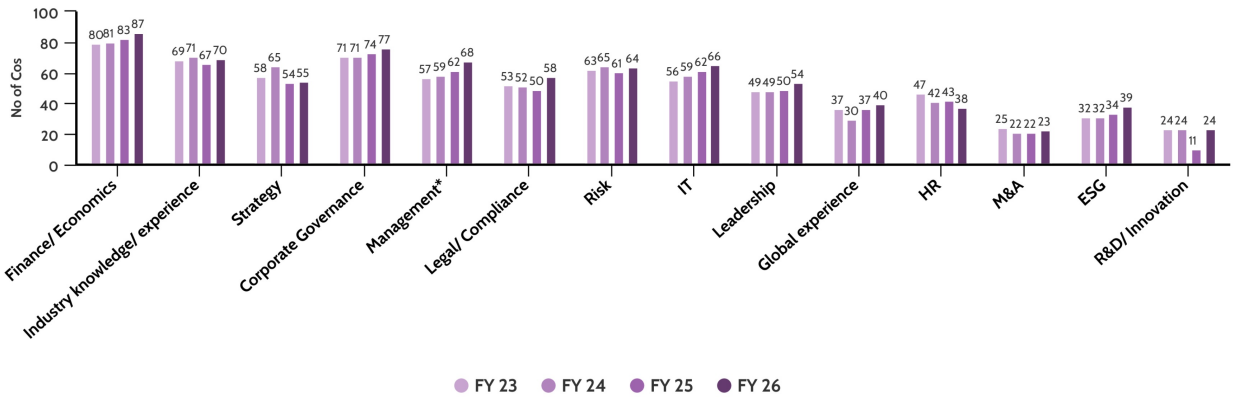
- *As per Schedule V(C)(2)(h) of SEBI LODR Regulations, 2015, listed entities are required to give in their Corporate Governance Report, a chart or a matrix setting out the skills/expertise/competence of the Board of Directors specifying the following:*

  .....

  (ii) With effect from the financial year ended March 31, 2020, the names of directors who have such skills / expertise / competence.

Seniority and experience do not necessarily provide expertise across all areas relevant to the business. Boards facing new and increasingly complex risks need a mix of skills and experience. Identifying and addressing gaps in Board expertise is therefore important for effective oversight.

Top skills/ expertise/ competence of Directors as identified by cos



**Management includes general and operational management, sales and marketing*

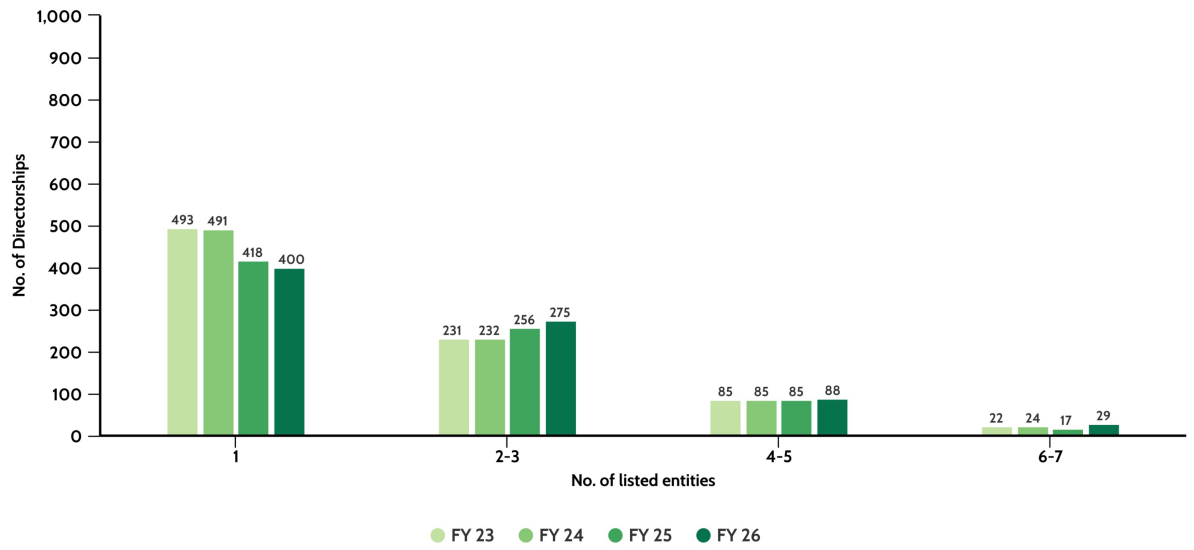
- *FY 23, 86 cos have been considered as 5 cos were not listed and details relating to the others were not available.*
- *FY 24, 86 cos have been considered as 4 cos were not listed and details relating to the others were not available.*
- *FY 25, 89 cos have been considered as 3 cos were not listed and details relating to the others were not available.*
- *FY 26, 92 cos have been considered as details relating to the others were not available.*

- In FY 26, 14 companies specifically mentioned “Artificial Intelligence” as a skill set.
- In FY 23, FY 24, FY 25 and FY 26, 10, 8, and 11 companies identified “diversity” as a skill set.
- In FY 23, FY 24, FY 25 and FY 26, 20, 8, 9 and 15 companies identified “soft skills” as a skill set.

DIRECTORSHIPS IN MULTIPLE COMPANIES

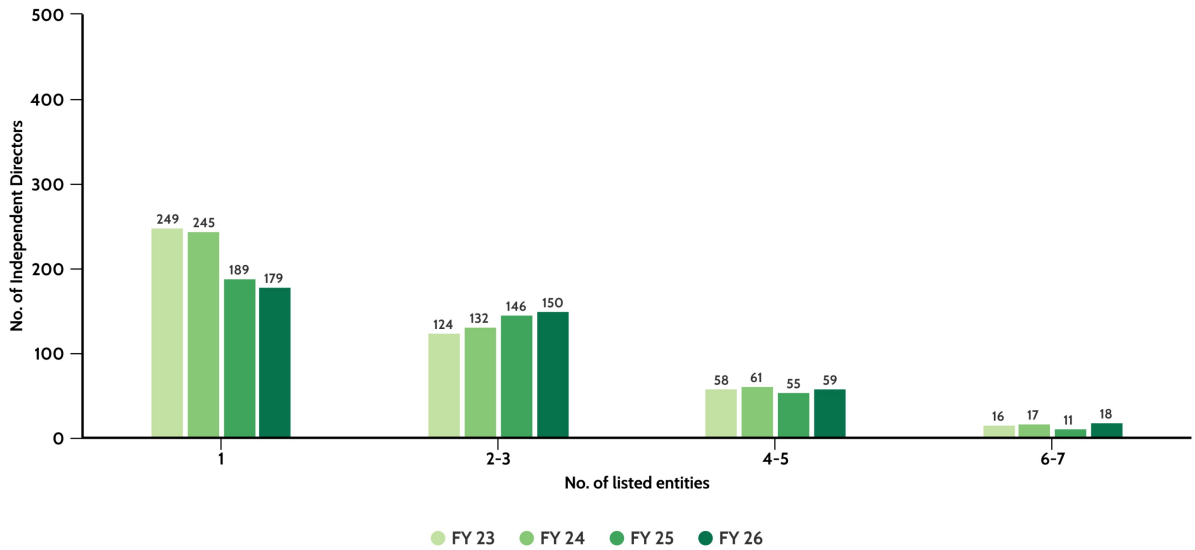
Holding directorships in multiple companies can provide Directors with valuable experience and wider perspectives. However, the number of directorships held should also be considered in the context of the time and attention required to discharge their responsibilities effectively. The ability to contribute meaningfully to each Board should not be compromised by competing commitments.

Number of Directorships in multiple listed entities



- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*
- *Source: Stock Exchange websites*

Number of Independent Directorships in multiple listed entities



- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*
- *Source: Stock Exchange websites*

TENURE OF DIRECTORS

Directors need to spend enough time on the Board to understand the business and contribute meaningfully. However, very long tenures can result in over-familiarity and leave less room for fresh perspectives and new Directors. The challenge is to retain the benefit of experience while also ensuring that the Board is periodically refreshed.

From the date of first appointment, the average tenure of

- 979 Directors, as on March 31, 2023, was 6.13 years, with the longest tenure being of 54.61 years.
- 991 Directors, as on March 31, 2024, was 6.24 years, with the longest tenure being of 55.62 years.
- 931 Directors, as on March 31, 2025, was 5.83 years, with the longest tenure being of 56.62 years.
- 957 Directors, as on March 31, 2026, was 5.99 years, with the longest tenure being of 57.62 years.

TENURE OF CHAIRS

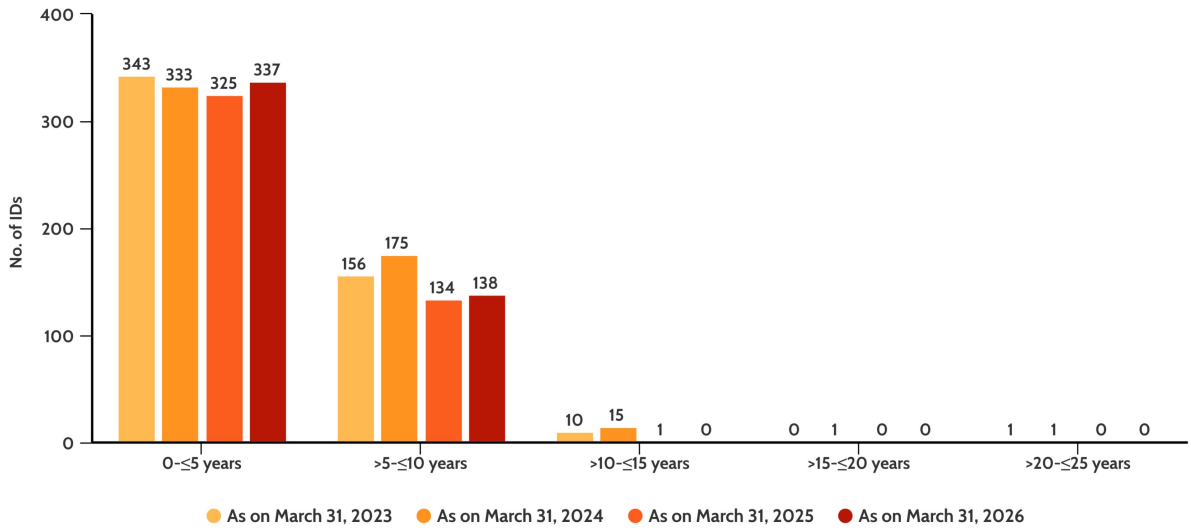
- Average tenure of Chairs from the date of first appointment
  - As on March 31, 2023 is 13.05 years, with the longest tenure being of 50.73 years.
  - As on March 31, 2024 is 13.42 years, with the longest tenure being of 51.73 years.
  - As on March 31, 2025 is 14.08 years, with the longest tenure being of 52.73 years.
  - As on March 31, 2026 is 14.81 years, with the longest tenure being of 53.73 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



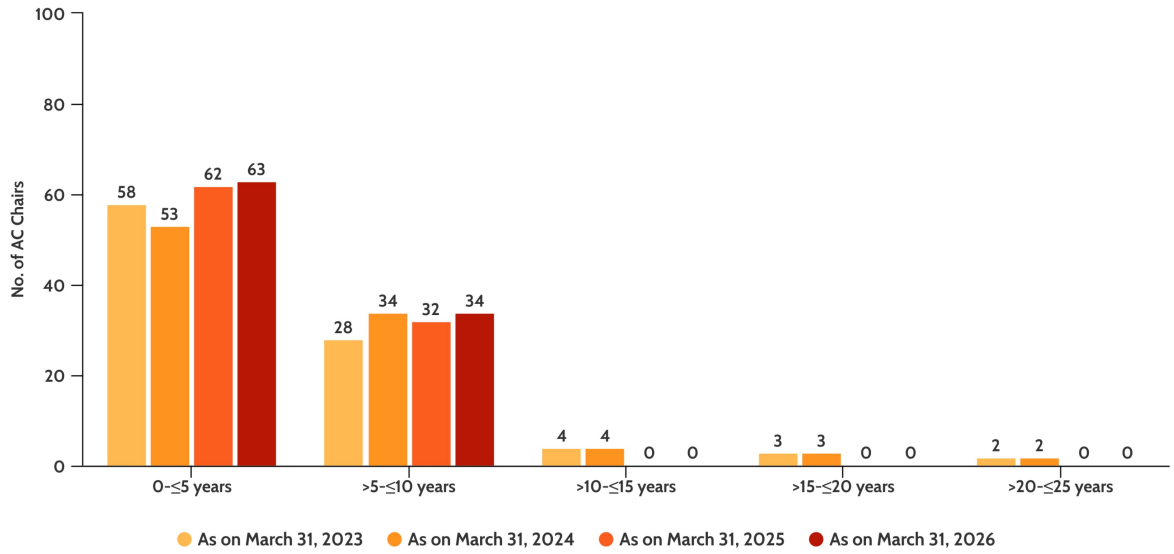
- *As on March 31, 2023, there were 510 ID positions.*
- *As on March 31, 2024, there were 525 ID positions.*
- *As on March 31, 2025, there were 461 ID positions.*
- *As on March 31, 2026, there were 475 ID positions.*
- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*

- Average tenure of IDs
  - As on March 31, 2024, was 4.31 years.
  - As on March 31, 2025, was 3.57 years.
  - As on March 31, 2026, was 3.77 years.
- The likely reason for reduction of long tenures is because the terms of several IDs came to an end in 2024.

TENURE OF CHAIRS OF COMMITTEES

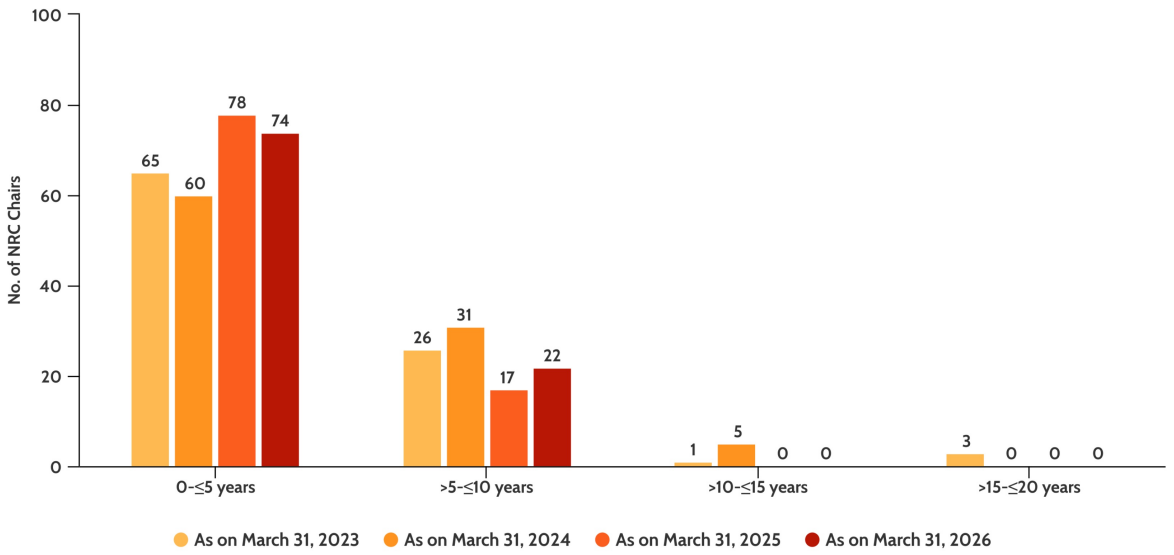
The Chair of a committee has a significant influence on its functioning, including the quality of its discussions and the nature of the challenge to management. While continuity helps a Chair understand the committee's work and provide stability, very long tenures can make it difficult for committees to bring in fresh perspectives and adapt to changing challenges. Committee leadership should therefore allow for continuity while also providing for periodic renewal.

Tenure of AC Chairs from date of first appointment



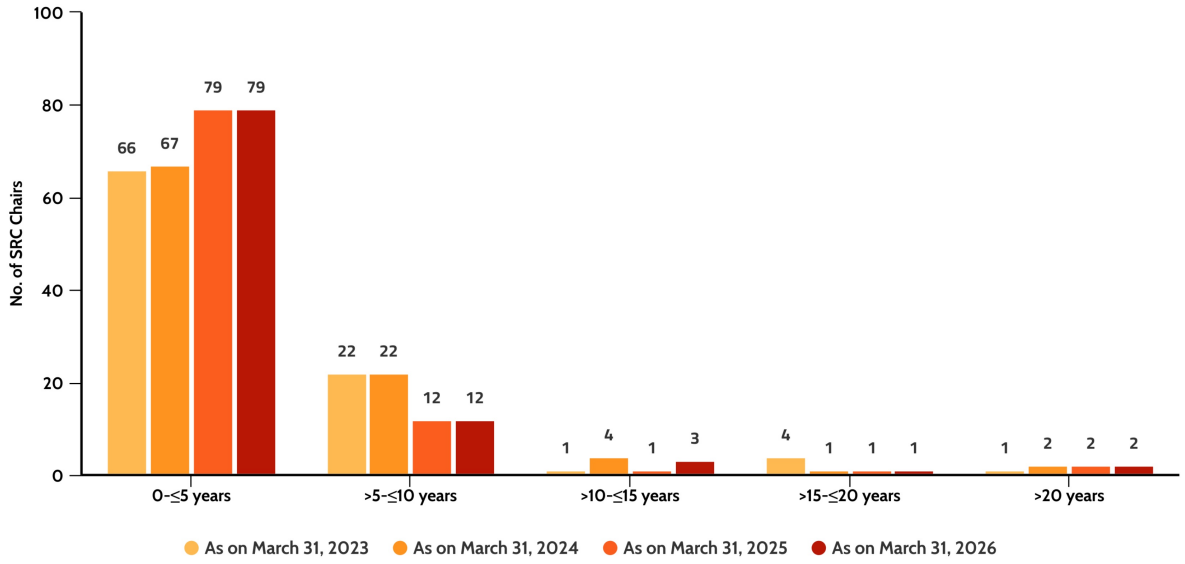
- *As on March 31, 2025 and March 31, 2026, 3 cos had no AC chairs.*
- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*

Tenure of NRC Chairs from date of first appointment



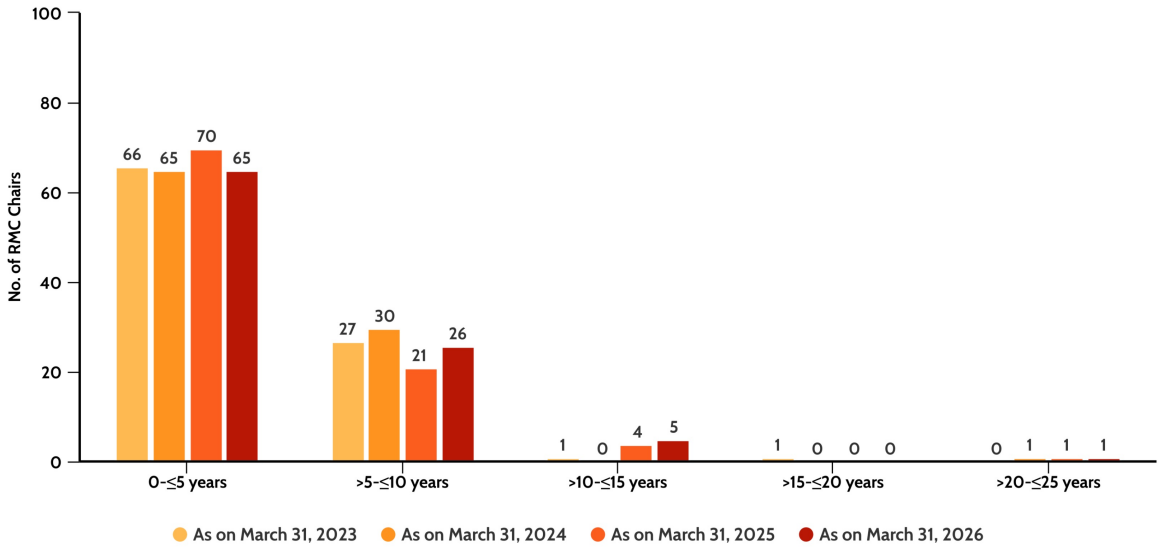
- *As on March 31, 2025, 2 cos had no NRC chairs.*
- *As on March 31, 2026, 3 cos had no NRC chairs.*
- *In FY 26, 1 co did not provide information relating to NRC chair.*
- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*

Tenure of SRC Chairs from date of first appointment



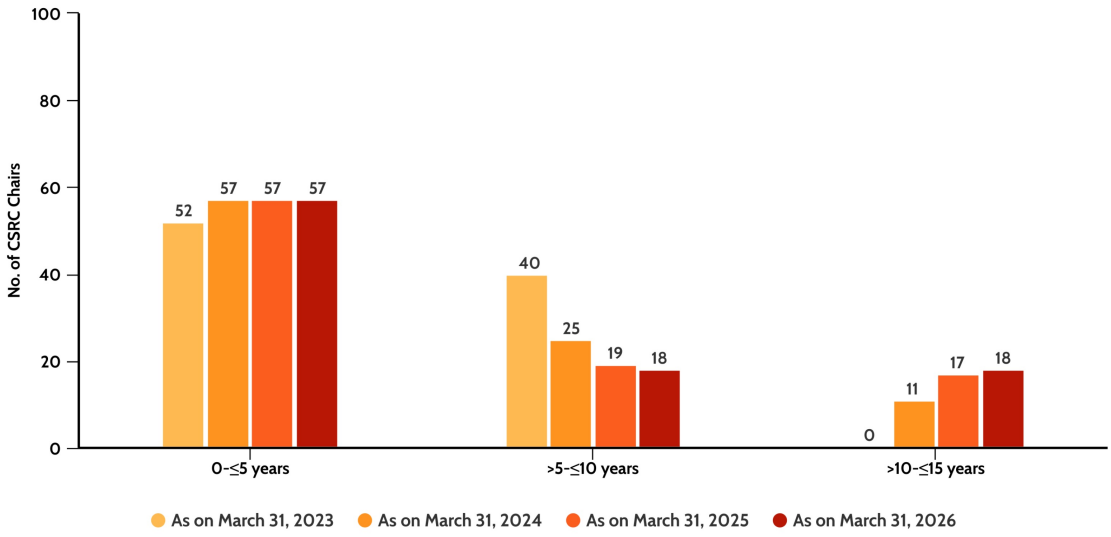
- *As on March 31, 2023, 1 co had no SRC chair.*
- *As on March 31, 2025, 2 cos had no SRC chairs.*
- *As on March 31, 2026, 3 cos had no SRC chairs.*
- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*

Tenure of RMC Chairs from date of first appointment



- *As on March 31, 2025, 1 co had no RMC chair.*
- *As on March 31, 2026, 3 cos had no RMC chairs.*
- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*

Tenure of CSRC Chairs from date of first appointment



- *Provisions of CSR were not applicable to 2 cos each in FY 23 and in FY 24; and 1 co each in FY 25 and in FY 26.*
- *In all 4 FYs, 1 co did not have a fixed CSRC chair.*
- *In FY 25 and FY 26, 1 co did not provide information relating to CSRC chair.*
- *In FY 25, 1 co did not have a CSRC chair on March 31.*
- *In FY 26, 4 cos did not have a CSRC chairs on March 31.*
- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*

- As on March 31, 2026,
  - The longest tenure of an AC Chair is 9.68 years (appointed in July, 2016).
  - The longest tenure of an NRC Chair is 9.43 years (appointed in October, 2016).
  - The longest tenure an SRC Chair is 25.87 years (appointed in May, 2000).
  - The longest tenure of an RMC Chair is 22.47 years (appointed in October, 2003).
  - The longest tenure of a CSRC Chair is 12.99 years (appointed in April, 2013).
- The likely reason for reduction of long tenures of Chairs of committees (especially AC and NRC) is because the terms of several IDs came to an end in 2024.

TERM 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 Regulation 25(2A) 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.*

The existing framework of two terms of up to five years each provides a reasonable balance between continuity and periodic refreshment of the Board. The three-year cooling-off period before reappointment further supports the independence of Directors. The present framework therefore appears adequate to address the tenure of Independent Directors. Companies however need to note that 5 years is the maximum permitted duration of one term and the appointment can be for a shorter period.

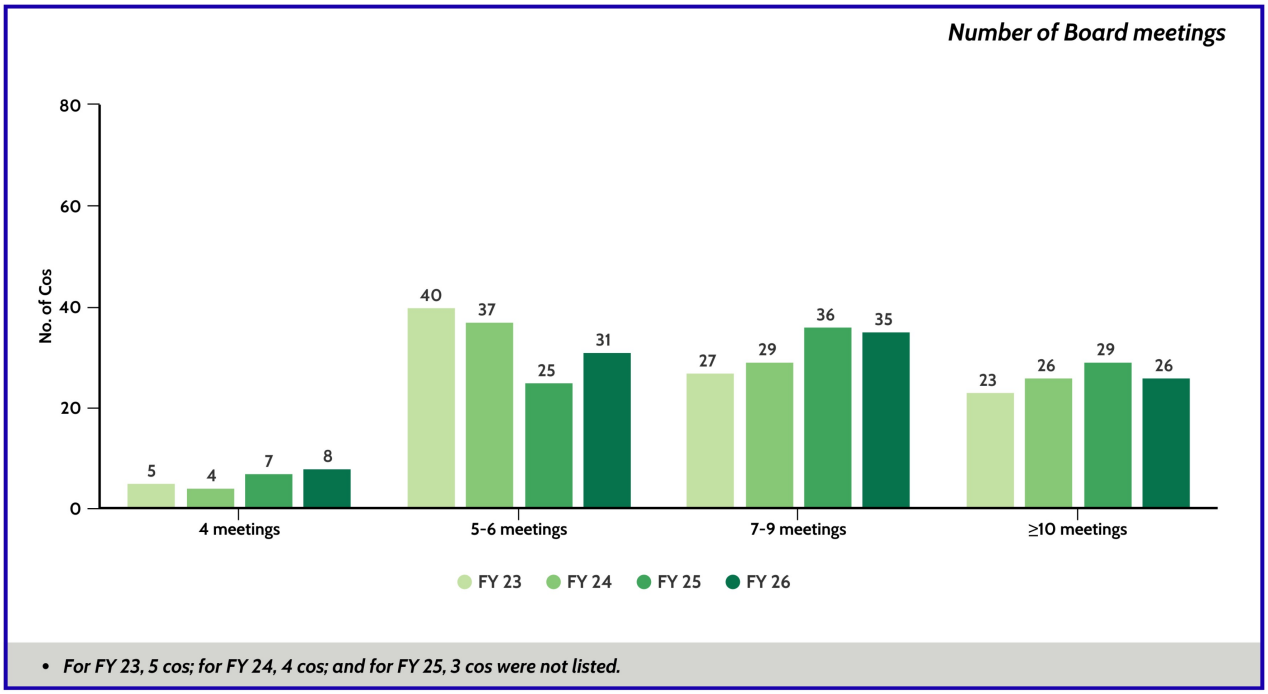
- In following number of companies, the term of appointment/ re-appointment of IDs was the same.
  - 2 terms of 2 years each in 1 company.
  - 2 terms of 3 years each in 5 companies.
  - 2 terms of 5 years each in 57 companies.
- In 6 companies, the term of office for different IDs on the same Board was not uniform.
- In 8 companies, the duration of the first term and the second term was different.
- In private sector banks, terms of IDs varied between 3 years and 5 years.
- In PSBs, IDs were appointed for either 1 year or 3 years.
- In PSUs,
  - in 4 companies, terms of IDs were either 1 year or 3 years.
  - in 5 companies, the terms have not been disclosed.
  - in 4 companies, there were no IDs as on March 31, 2026.

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 financial year, with a maximum time gap of one hundred and twenty days between any two consecutive meetings.*

Four Board meetings a year may meet the regulatory requirement but may not provide sufficient time for matters beyond quarterly financial results. Six meetings, with adequate time for discussion, would allow greater attention to strategy, succession planning, risk and other important matters. However, meetings held too frequently can become routine, with diminishing value.



- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*

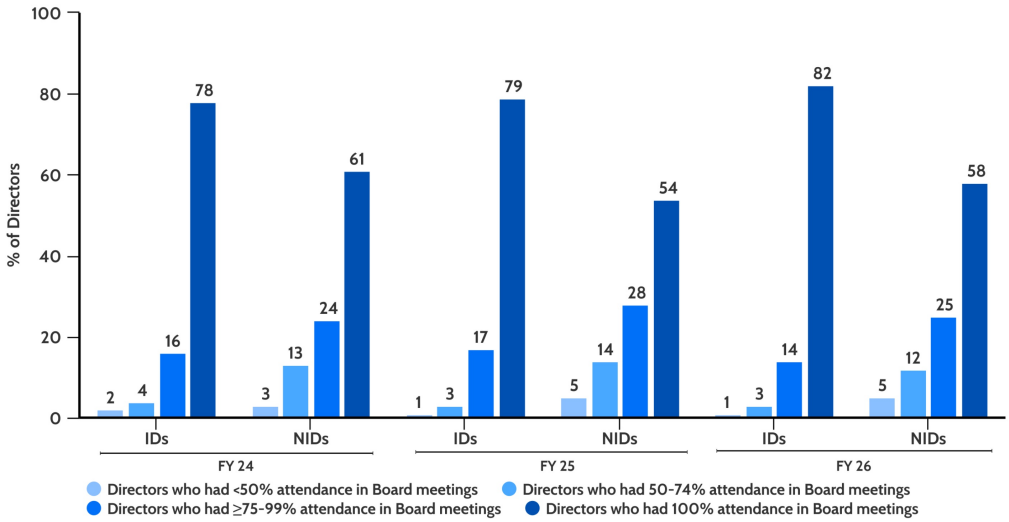
- Happily, in the case of Board meetings, most companies have exceeded the minimum of 4 meetings.
- Highest number of Board meetings conducted were
  - in FY 23, 17 each in 2 companies (both PSBs).
  - in FY 24, 23 (private sector bank).
  - in FY 25, 21 each in 2 companies (1 PSU and 1 PSB).
  - In FY 26, 24.
- It might be worthwhile for such Boards to examine the productivity of, and the requirement for, so many meetings.

ATTENDANCE OF DIRECTORS IN BOARD MEETINGS

- *As per Section 167(1) of the Companies Act, 2013, the office of a director shall become vacant in case-*
  (b) 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.

A Director is expected to attend all Board meetings, with absence limited to genuinely unavoidable circumstances. Regular attendance is essential for meaningful participation in Board deliberations and engagement with the affairs of the company. Where absence is unavoidable, the Director should, where possible, send comments on important agenda items in advance.

Attendance of NEDs* in Board Meetings



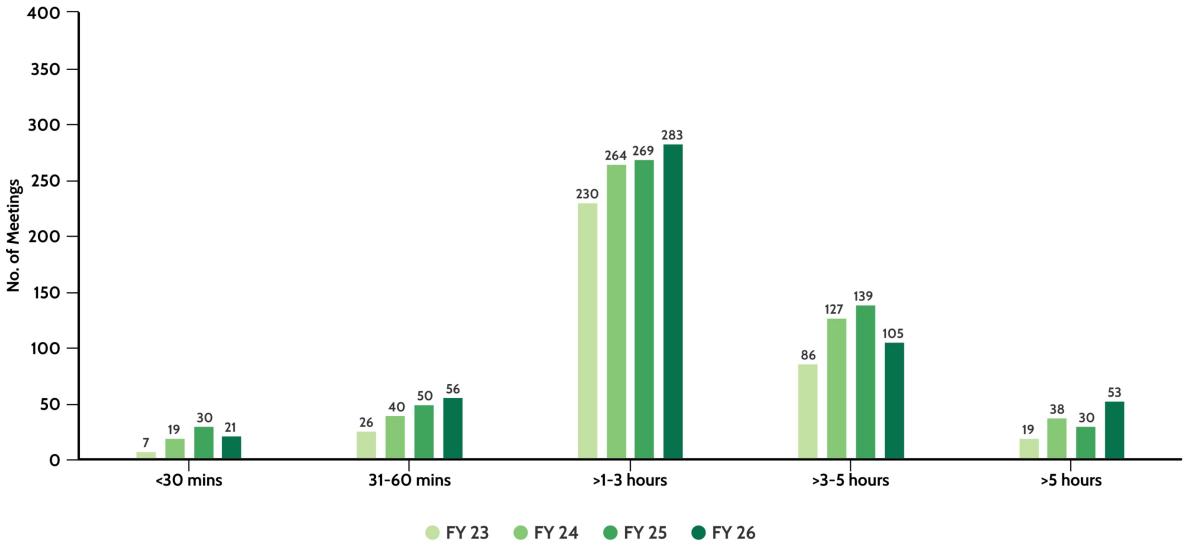
- ***NEDs include IDs and Non-Executive Non-IDs.***
- ***Attendance information is based on details disclosed by cos.***
- ***For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.***

- In FY 23, 1 ID and 2 NIDs had 0 attendance.
- In FY 24, 1 ID and 2 NIDs had 0 attendance.
- In FY 25, 1 ID and 6 NIDs had 0 attendance.
- In FY 26, 2 IDs and 5 NIDs had 0 attendance.

DURATION OF BOARD MEETINGS

The duration of Board meetings should allow sufficient time for discussion of important matters, rather than being determined only by the volume of the agenda. Meetings that are very short can lead to rushed decisions and limit the Board's ability to properly consider the issues before it.

Duration of Board Meetings



- *Cos that have mentioned start and end time of Board meetings have been considered.*
- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*
- *Source: Stock Exchange websites*

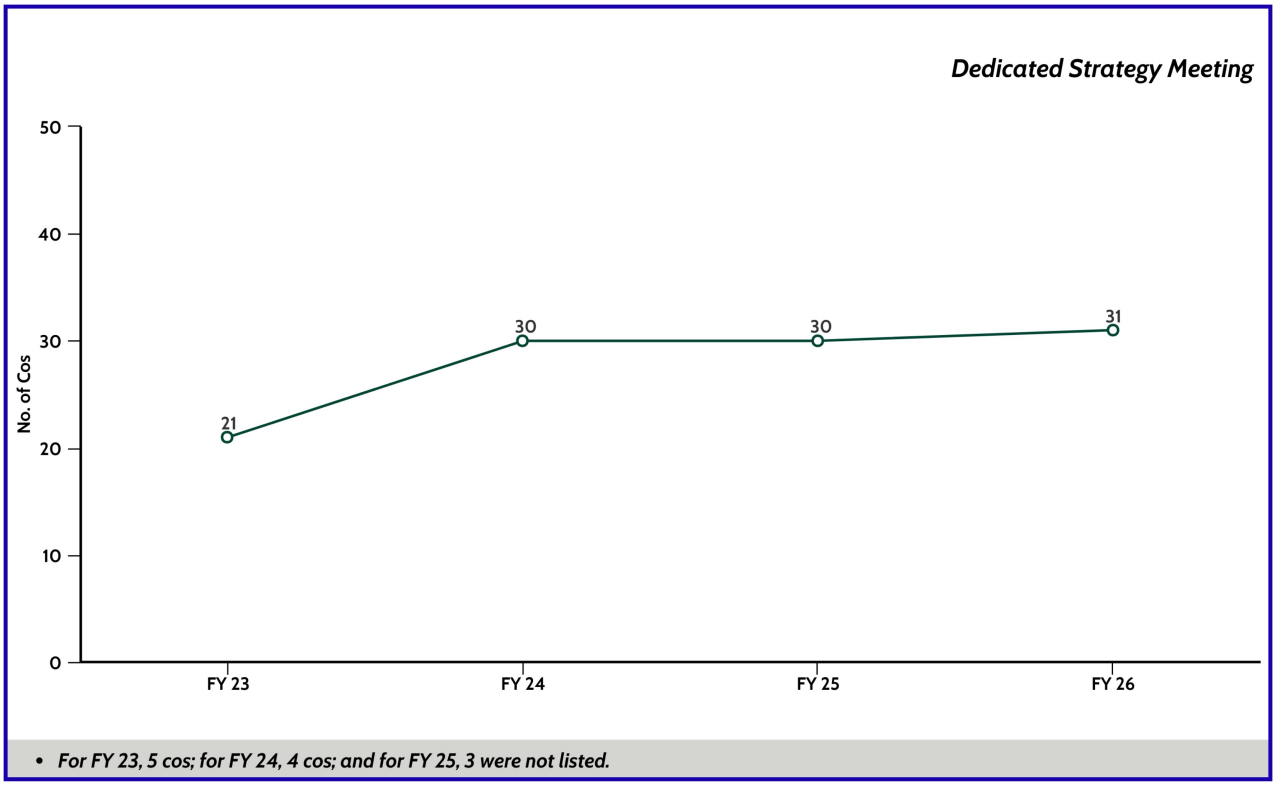
- In FY 23, FY 24, FY 25 and FY 26, 3, 2, 5 and 1 companies respectively reported to have conducted Board meetings over two consecutive days, without disclosing the start and end times of the meetings for each day separately.

- Minimum duration of Board meeting held in
  - FY 23 was 15 minutes.
  - FY 24 was 10 minutes each in 2 companies.
  - FY 25 was 10 minutes each in 5 companies.
  - FY 26 was 5 minutes.

- Maximum duration of Board meeting held in
  - FY 23 was 8 hours 15 minutes each in 2 companies.
  - FY 24 was 10 hours 40 minutes.
  - FY 25 was 13 hours 20 minutes.
  - FY 26 was 13 hours.

DEDICATED STRATEGY MEETING

At least one dedicated strategy meeting would allow the Board to focus on long-term strategy without being constrained by the routine agenda of Board meetings. It would provide Directors the time to examine strategic choices, opportunities and risks in greater depth.



- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 were not listed.*

- In the previous 4 FYs, 16 companies are common.

COMMITTEES

AUDIT COMMITTEE

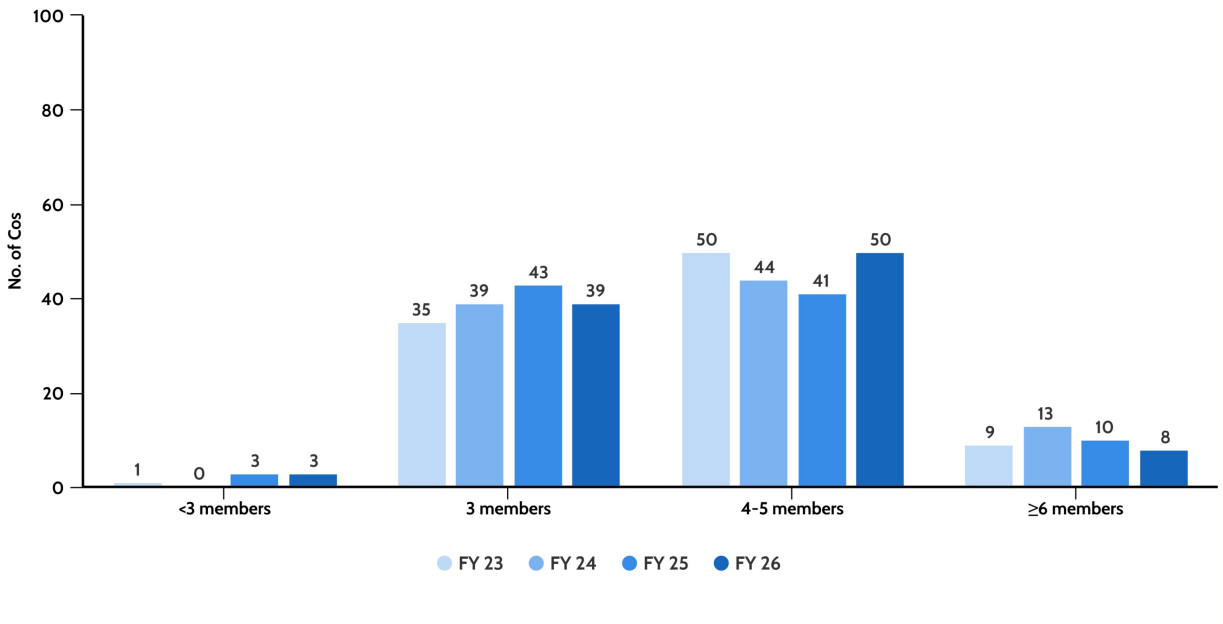
COMPOSITION OF AC

- *As per Section 177(2) of the Companies Act, 2013, the audit committee shall consist of a minimum of three directors, with independent Directors forming a majority.*

- *As per Regulation 18(1) of SEBI LODR Regulations, 2015, every listed entity shall constitute a qualified and independent audit committee in accordance with the terms of reference, subject to the following:*
  (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.

The Audit Committee's responsibilities extend beyond financial reporting and accounting. While financial expertise is essential, the Committee should also include members with relevant experience in risk, internal controls, technology and the company's business, ensuring an appropriate mix of skills and experience.

Number of members in AC



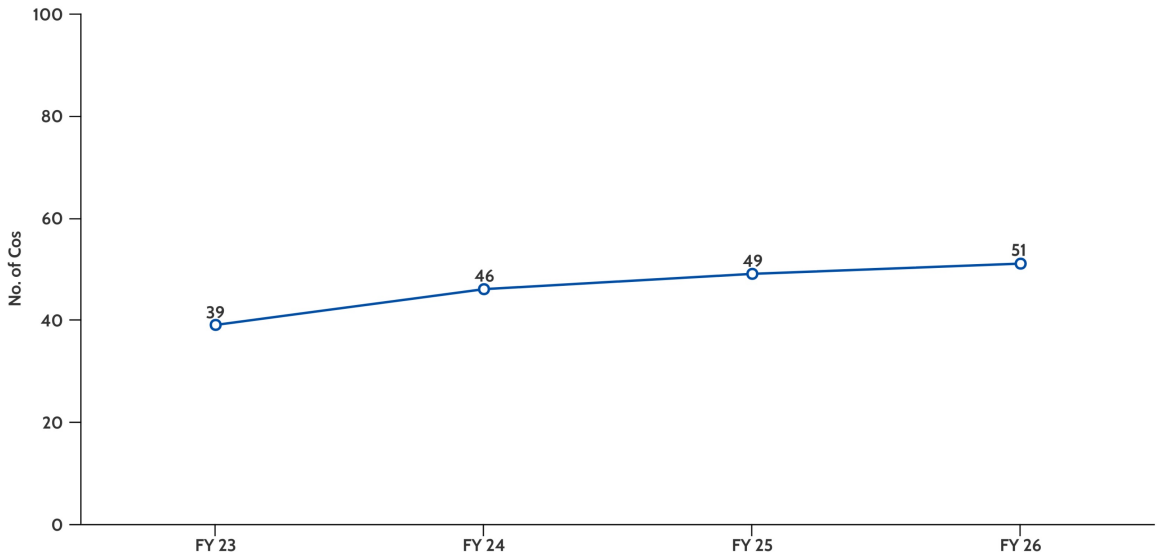
- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*

- Highest number of members
  - In FY 23, was 7 each in 3 companies.
  - In FY 24, was 8 in 1 company.
  - In FY 25, was 7 each in 3 companies.
  - In FY 26, was 8 in 1 company.

AC WITH ONLY IDs

The Audit Committee scrutinises matters involving management, financial reporting, controls and related party transactions. An Audit Committee comprising only Independent Directors can provide greater freedom to question management and consider such matters objectively, while management can participate as invitees where required.

Cos having only IDs in AC



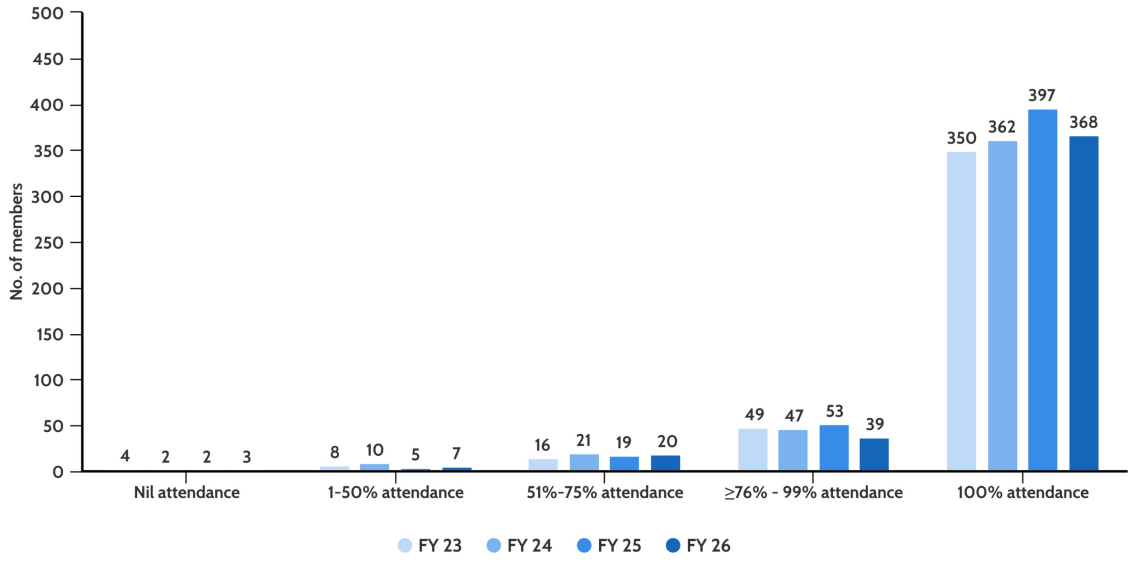
- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*

- In previous 4 FYs, of the companies which had only IDs as members of AC, 30 were common.

ATTENDANCE OF AC MEMBERS

The Audit Committee deals with matters requiring familiarity with financial reporting, controls, audit findings and issues discussed earlier. Regular attendance is therefore important for continuity and effective follow-up. Members unable to attend regularly should be taken out of the Committee.

Attendance of AC members



- *Attendance information is based on details disclosed by cos.*
- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*

- In FY 23, 81.40% of members had 100% attendance.
- In FY 24, 81.90% of members had 100% attendance.
- In FY 25, 83.40% of members had 100% attendance.
- In FY 26, 84.02% of members had 100% attendance.

COMMON CHAIR OF BOARD AND AC

The Board and the Audit Committee have different but closely connected responsibilities. Having the same person chair both may reduce the distinction between overall Board oversight and the Committee's scrutiny of financial and control matters. Having different Chairpersons allows the Audit Committee to function with greater objectivity and to bring its views to the Board without the two roles being concentrated in one person.

- In all 4 FYs, 1 company is common.

EXECUTIVE CHAIRPERSON/CMD/ MD AS A MEMBER OF AC

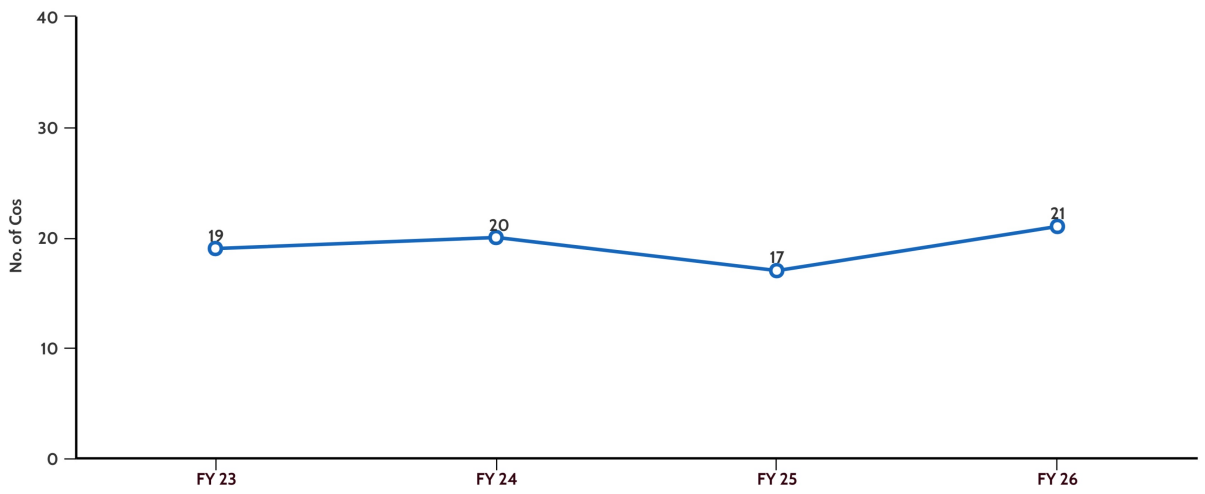
The Audit Committee is responsible for scrutinising matters relating to management, financial reporting and controls. Having the Executive Chairperson or MD as a member may constrain the Committee's ability to independently question and deliberate on matters involving management. Their participation as invitees, where required, would allow the Committee to benefit from their knowledge without compromising its independence.

- The following number of ACs had EC/ CMD/ MD as a member of AC
  - in FY 23, 8.
  - in FY 24, 6.
  - in FY 25, 5.
  - in FY 26, 5.
- In all 4 FYs, 4 companies are common.

MD AS A PERMANENT INVITEE TO AC MEETINGS

The MD's knowledge of the business can be useful to the Audit Committee. However, permanent attendance may not be appropriate, particularly when matters relating to management are discussed. The MD should attend when required, while the Committee should retain the freedom to meet without management present when necessary.

MD as a permanent invitee to AC meetings



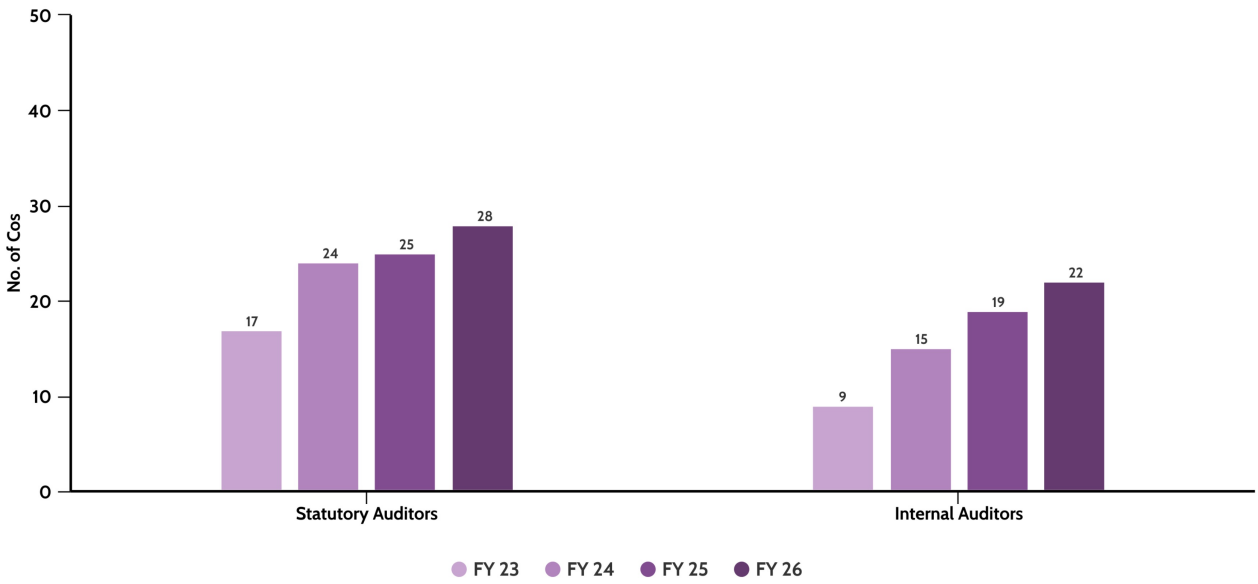
- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 were not listed.*
- *Cos having CMD or MD as member of the committee has been excluded.*

- In the previous 4 FYs, 14 companies are common.

STATUTORY AUDITORS AND/OR INTERNAL AUDITORS MEETING AC WITHOUT THE PRESENCE OF MANAGEMENT

Meetings of the Audit Committee with the Statutory Auditors and/or Internal Auditors without the presence of management provide an opportunity for auditors to raise concerns and discuss sensitive matters freely. Such interactions strengthen the independence of the audit process and enable the Committee to obtain an unfiltered view of issues that may require its attention.

Statutory Auditors and/or Internal Auditors meeting AC without the presence of management



- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*

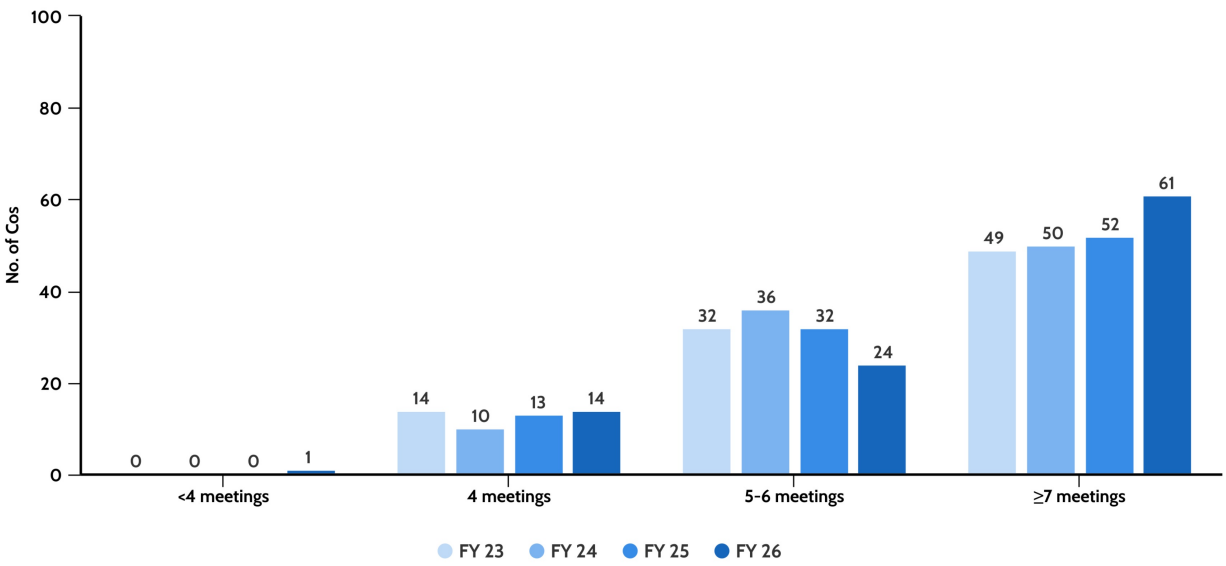
- In previous 4 FYs, Statutory Auditors of 17 companies and Internal Auditors of 7 companies met AC without the presence of management.

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 financial year and not more than one hundred and twenty days shall elapse between two consecutive meetings.*

The Audit Committee's responsibilities extend beyond quarterly financial results. Four meetings a year may not provide adequate time for internal audit, internal controls, risk management and other matters requiring detailed consideration. Six meetings would allow sufficient time for these matters alongside the regular quarterly agenda.

Number of meetings of AC



- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*

- In previous 4 FYs, 4 companies have continued to convene only 4 meetings.
- Highest number of meetings
  - in FY 23 was 19.
  - in FY 24 was 23.
  - in FY 25 was 18.
  - In FY 26 was 19.

NOMINATION AND REMUNERATION COMMITTEE

COMPOSITION OF NRC

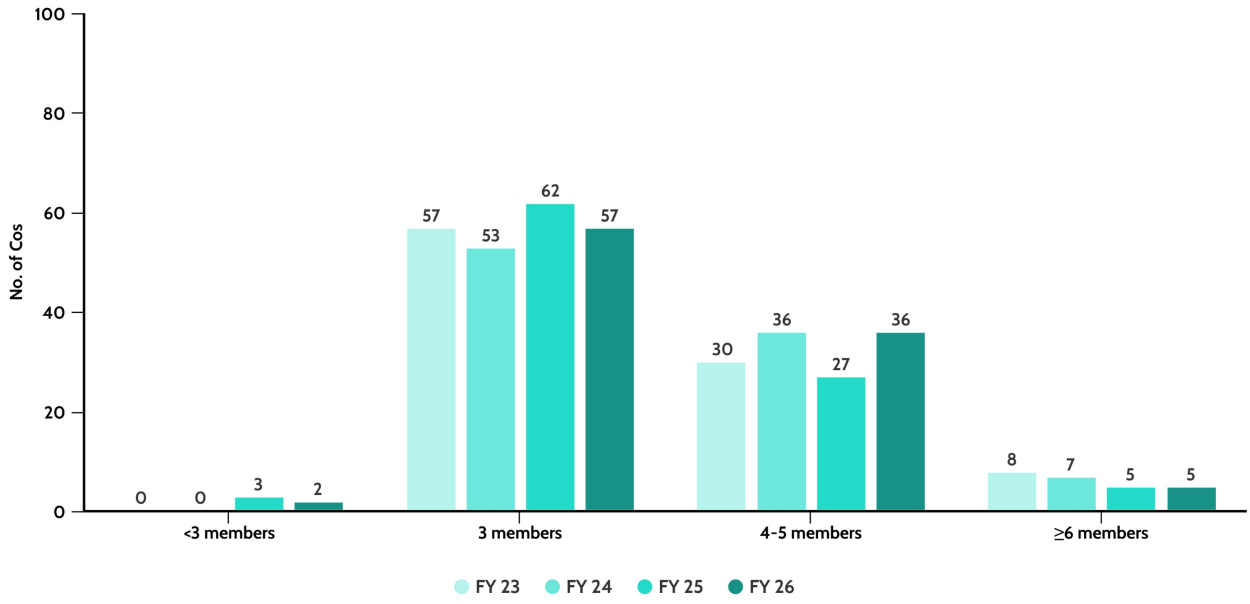
- *As per Section 178(1) of the Companies Act, 2013, the Board of Directors of every listed public company and such other class or classes of companies, as may be prescribed shall constitute the Nomination and Remuneration Committee consisting of three or more non-executive directors out of which not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

- *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.

The NRC's responsibilities relating to Board composition, succession, and the appointment and remuneration of senior management require experience and judgement. Its composition should therefore include persons with the experience and understanding to identify the right skills and people for key positions.

Number of members in NRC



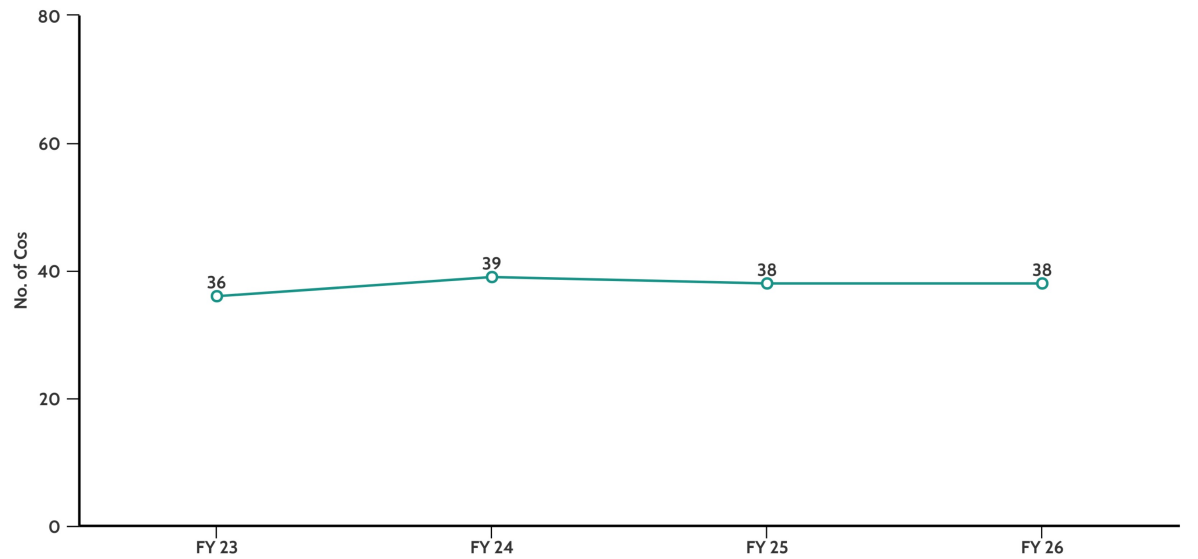
- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*

- Highest number of members
  - in FY 23, was 7 in 1 company.
  - in FY 24, was 8 in 1 company.
  - in FY 25, was 6 in 5 companies.
  - in FY 26, was 6 in 5 companies.
- If the size of NRC is unwieldy, it is likely to be less productive for the functioning of the NRC.

NRC WITH ONLY IDs

Appointments, performance evaluation and remuneration of Directors and senior management can involve matters where management interests are directly involved. An NRC comprising only Independent Directors would provide a clearer separation between those whose interests are being considered and those taking the decision.

Cos having only IDs in NRC



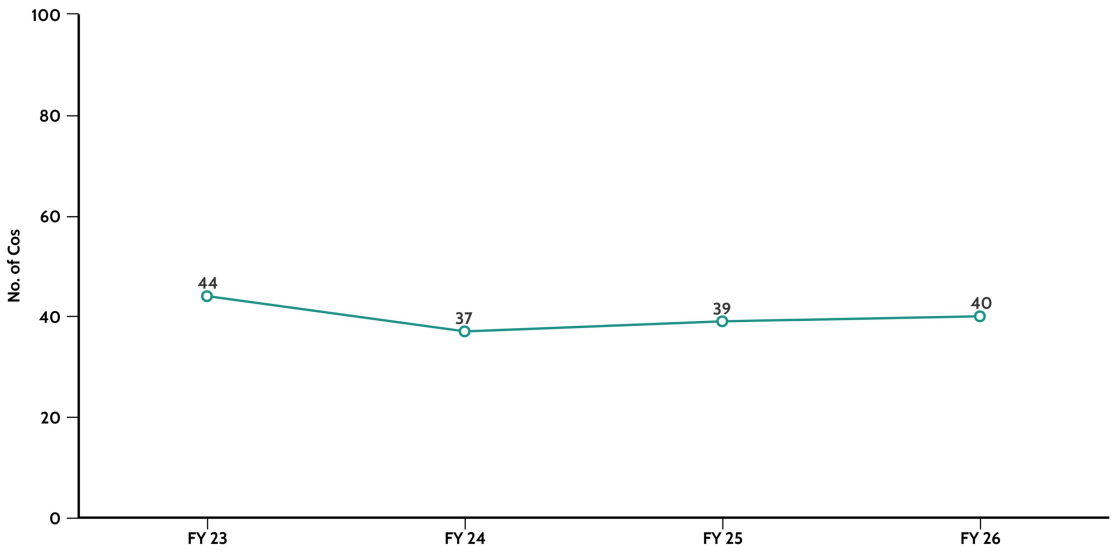
- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*

- In previous 4 FYs, of the companies which had only IDs as members of the committee, 27 were common.

CHAIR OF BOARD AS A MEMBER OF NRC

The Chairperson of the Board is well placed to identify where changes in Board composition may be required. Participation in the NRC can bring the Board's perspective into discussions on appointments, succession and performance, without the Chairperson leading the Committee and impacting on its independence.

Chair of Board as member of NRC



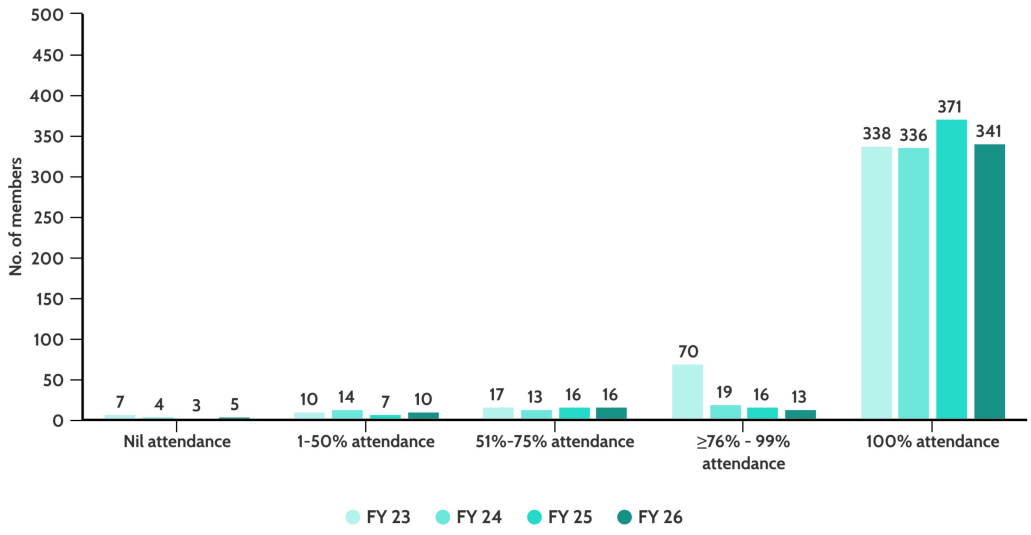
- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*

- In previous 4 FYs, 30 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.

Attendance of NRC members



- *Attendance information is based on details disclosed by cos.*
- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*

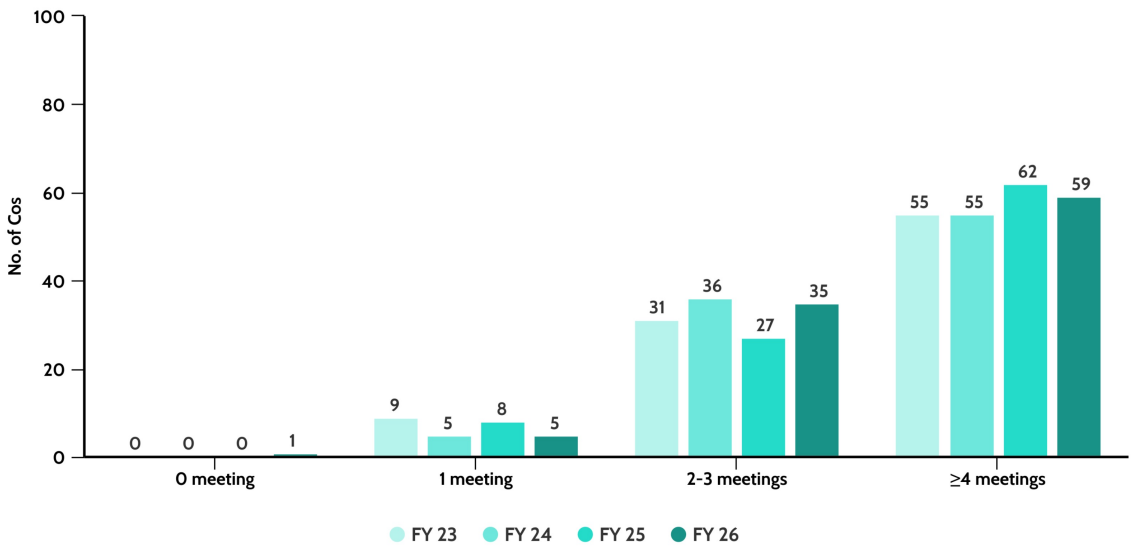
- In FY 23, 86.22% of members had 100% attendance.
- In FY 24, 87.05% of members had 100% attendance.
- In FY 25, 89.61% of members had 100% attendance.
- In FY 26, 88.57% of members had 100% attendance.

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 financial year.*

The regulatory minimum of one meeting a year does not seem commensurate with the NRC's responsibilities relating to Board composition and leadership. Four meetings a year would provide the minimum frequency necessary for the Committee to give adequate attention to these matters.

Number of meetings of NRC



- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*

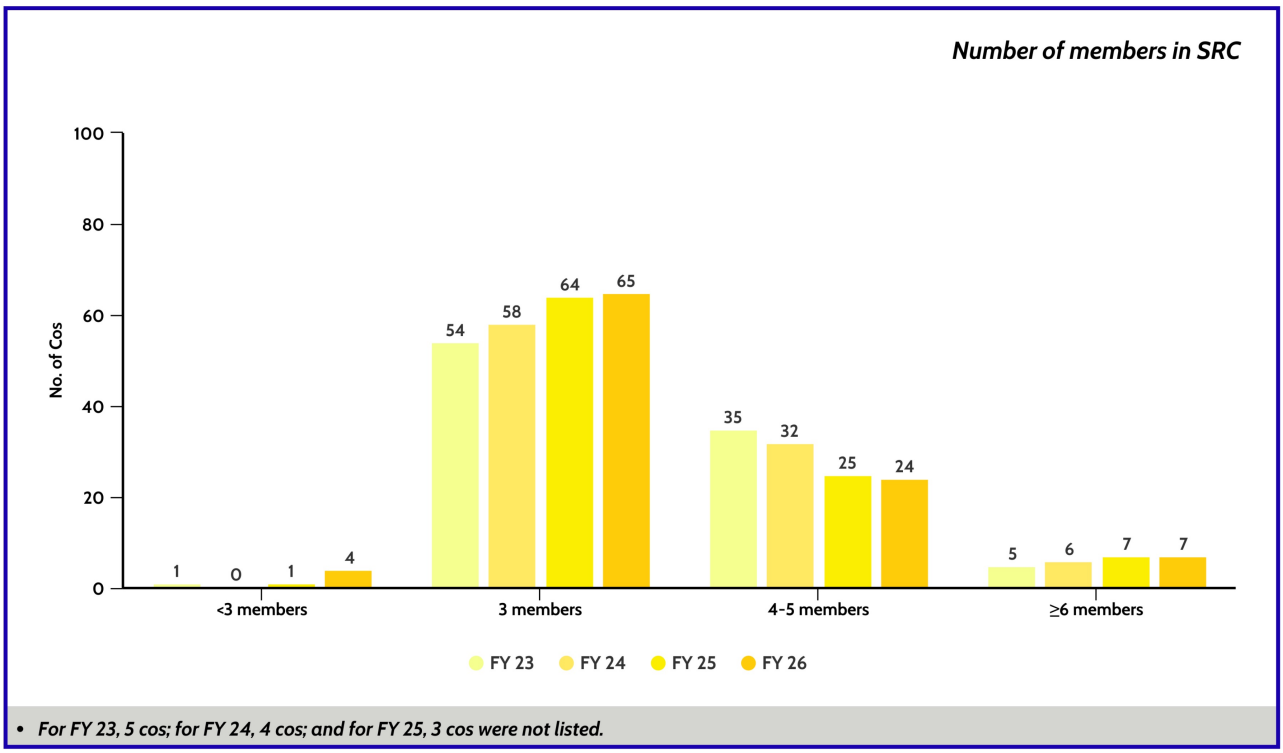
- Highest number of meetings
  - in FY 23 was 12.
  - in FY 24 was 18.
  - in FY 25 was 17.
  - In FY 26 was 19.

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(2) of SEBI LODR Regulations, 2015, the chairperson of this committee shall be a non-executive director.*
- *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.*

The Companies Act, 2013 and SEBI LODR Regulations, 2015 prescribe different requirements for the composition of the Stakeholders Relationship Committee, particularly regarding the presence of Independent Directors. The provisions should be reconciled to provide greater clarity while ensuring an appropriate balance of Non-Executive and Independent Directors to address stakeholder concerns objectively.

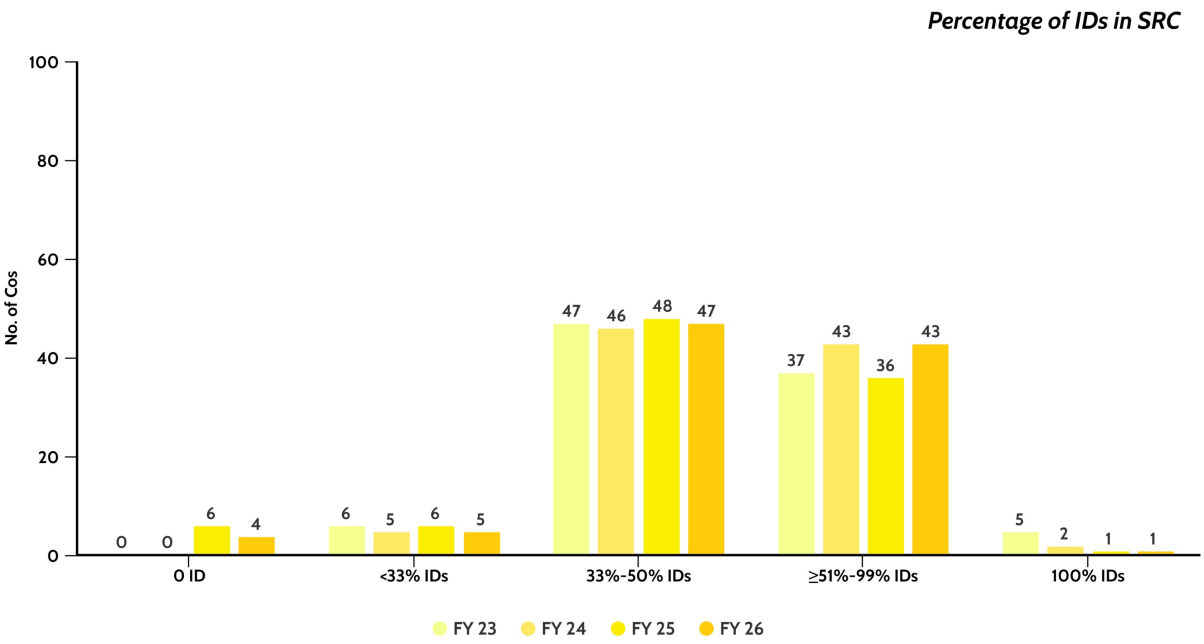


- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*

- Highest number of members
  - In FY 23, was 8.
  - In FY 24, was 9.
  - In FY 25, was 8.
  - In FY 26, was 9.

PERCENTAGE OF IDs IN SRC

A higher representation of Independent Directors on the SRC can strengthen shareholder confidence in the objectivity of the grievance redressal process. Having Independent Directors constitute a majority of the Committee would provide greater assurance that stakeholder concerns are considered independently and objectively.



- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*

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

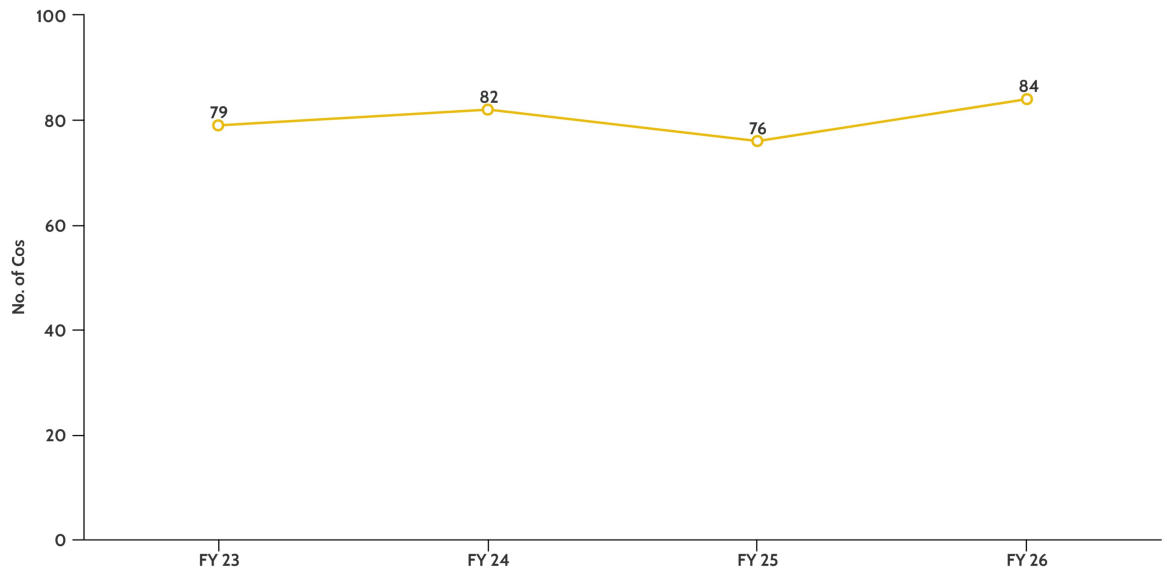
ID AS CHAIR OF SRC

- *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(2) of SEBI LODR Regulations, 2015, the chairperson of this committee shall be a non-executive director.*

The SRC may have to consider concerns raised by stakeholders, including matters where the conduct or decisions of management are in question. An Independent Director as Chair would enable such matters to be considered independently and strengthen the credibility of the Committee's deliberations.

ID as Chair of SRC



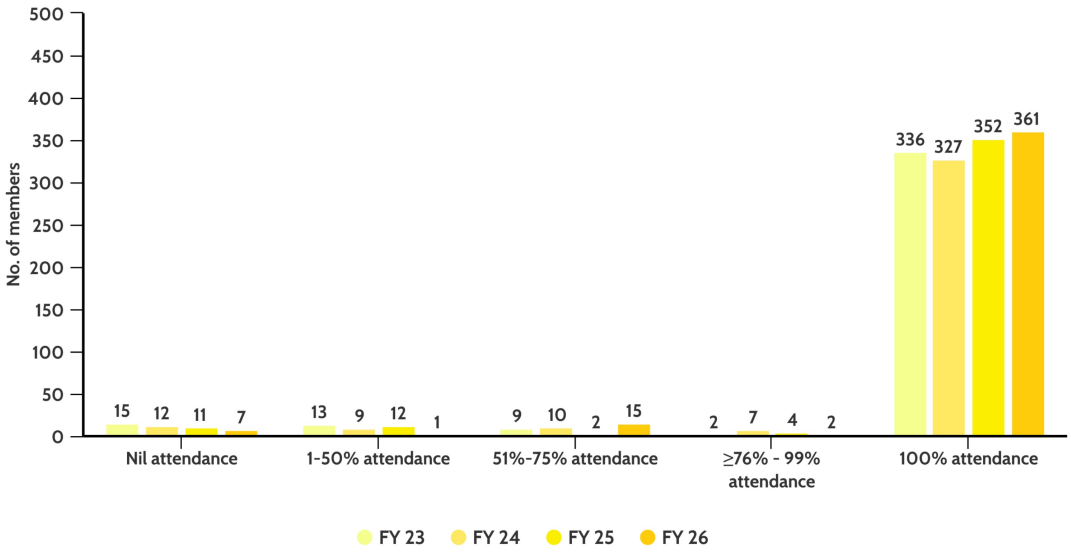
- *In FY 23 and FY 26, 1 co each did not have SRC chair as on March 31.*
- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*

- In previous 4 FYs, 68 companies are common.

ATTENDANCE OF SRC MEMBERS

SRC matters often require follow-up, particularly where grievances remain unresolved or corrective action is required. Regular attendance enables members to understand the history of such matters and assess whether agreed actions have addressed the concern. Members who do not attend regularly cannot be expected to discharge this responsibility effectively.

Attendance of SRC members



- *Attendance information is based on details disclosed by cos.*
- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*

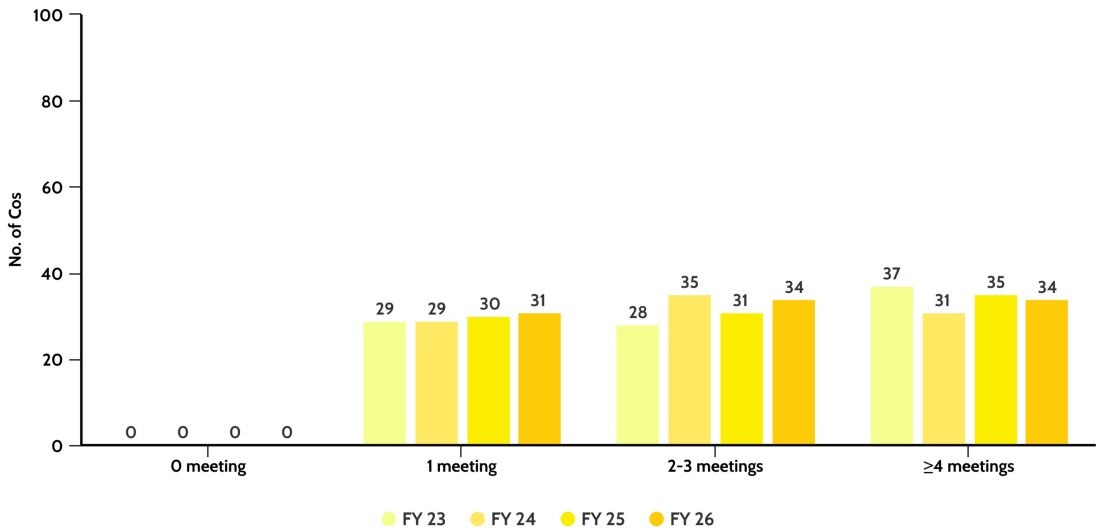
- In FY 23, 87.96% of members had 100% attendance.
- In FY 24, 86.28% of members had 100% attendance.
- In FY 25, 89.57% of members had 100% attendance.
- In FY 26, 91.86% of members had 100% attendance.

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 financial year.*

The regulatory requirement of one meeting a year should be regarded only as a minimum. The SRC should determine its meeting frequency based on the nature and volume of stakeholder matters requiring its attention. Companies with a wider stakeholder base or greater volume of matters may require more frequent meetings to ensure adequate consideration and follow-up.

Number of meetings of SRC



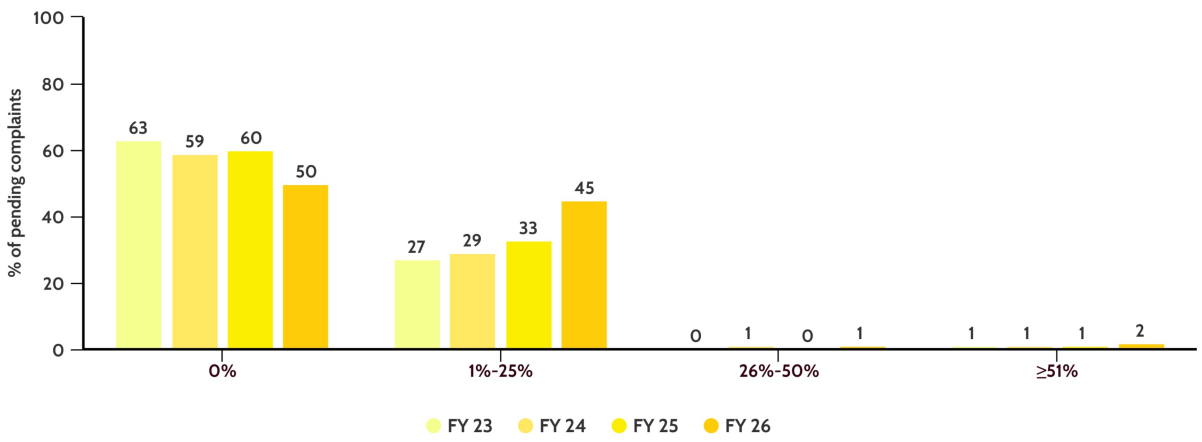
- *For all 4 FYs, information relating to 1 co was not available.*
- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*

- In previous 4 FYs, 15 companies continued to convene only 1 meeting.
- Highest number of meetings
  - in FY 23 was 5 each in 2 companies.
  - in FY 24 was 18.
  - in FY 25 was 14.
  - In FY 26 was 13.
- The reason for conducting so many meetings is not clear given the limited remit, as per statute, of the SRC.

COMPLAINTS UNDER SRC

As per Schedule V (C) (2) of SEBI LODR Regulations, 2015, listed entities are required to give in their Corporate Governance Report,
(5) Stakeholders' relationship committee
.....
(c) number of shareholders' complaints received during the financial year;
(d) number of complaints not solved to the satisfaction of shareholders;
(e) number of pending complaints.

Percentage of pending SRC complaints at the end of FY

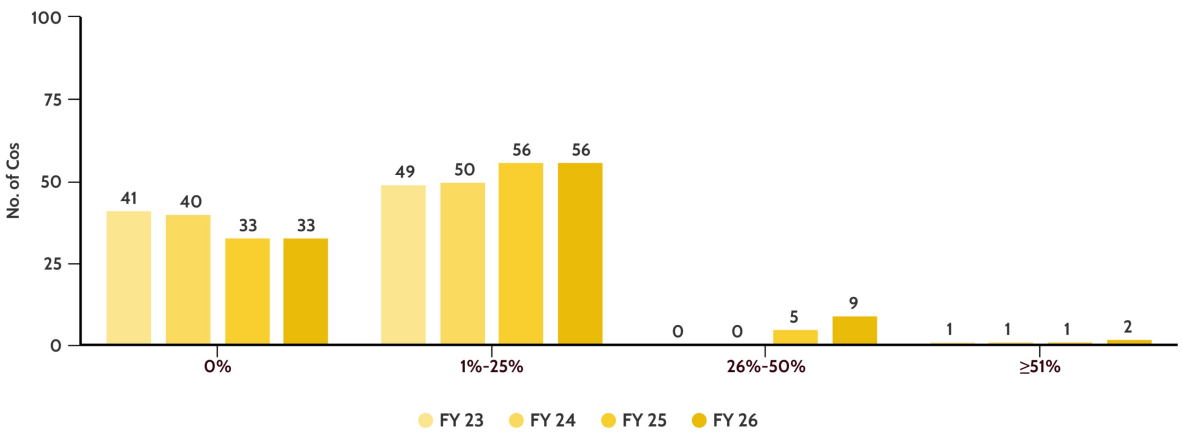


- *Cos which reported zero complaints have been excluded.*
- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*

- In previous 4 FYs, 30 companies, which received complaints, continued to have no pending complaints at the end of FY.
- 2 companies did not receive any complaints in all 4 FYs.
- The highest number of complaints received in 1 company in FY 26 were 4,171, of which only 0.17% were pending for resolution at the end of the FY.

PENDING INVESTOR COMPLAINTS

Percentage of pending investor complaints at the end of FY



- *Cos which reported zero complaints have been excluded.*
- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*
- *Source: Stock Exchange websites*

- In FY 23, FY 24, FY 25 and FY 26, 4, 5, 2 and 2 companies respectively had reported receiving 0 complaints.

SCOPE OF SRC

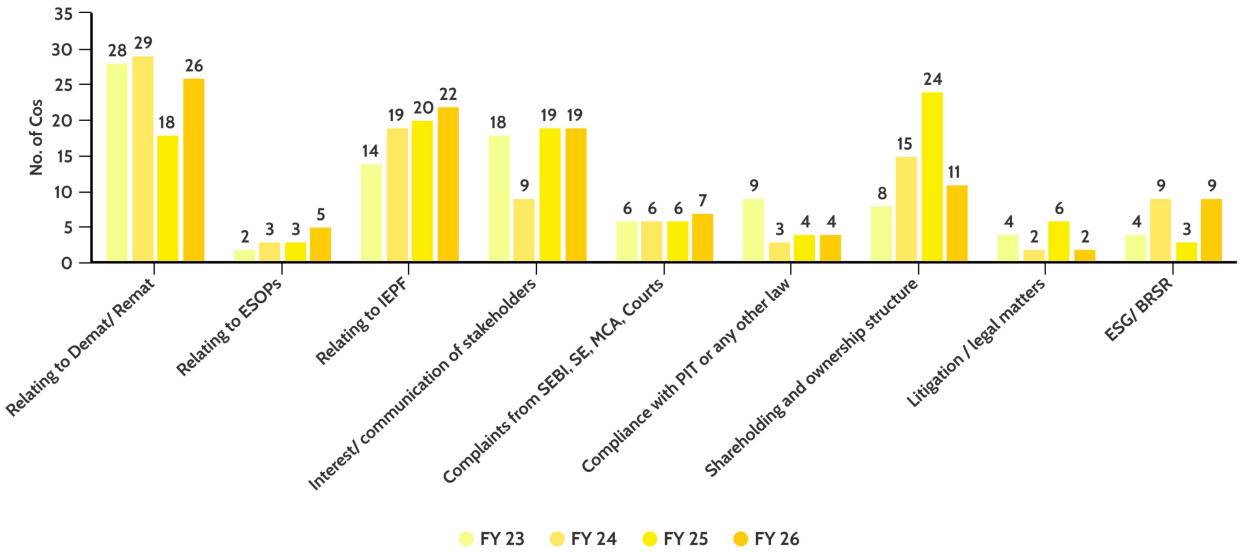
- *As per Section 178(6) of the Companies Act, 2013, the Stakeholders Relationship Committee shall consider and resolve the grievances of security holders of the company.*

- *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 Part D of Schedule II 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 to an Issue and 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.
  (5) Resolving grievances of debenture holders related to creation of charge, payment of interest/principal, maintenance of security cover and any other covenants.

The interests of a company extend beyond shareholders and other security holders. The SRC should therefore extend its remit to include material concerns of customers, vendors, employees and other stakeholders that may affect the company's reputation, relationships and long-term sustainability.

Scope of SRC as per TOR



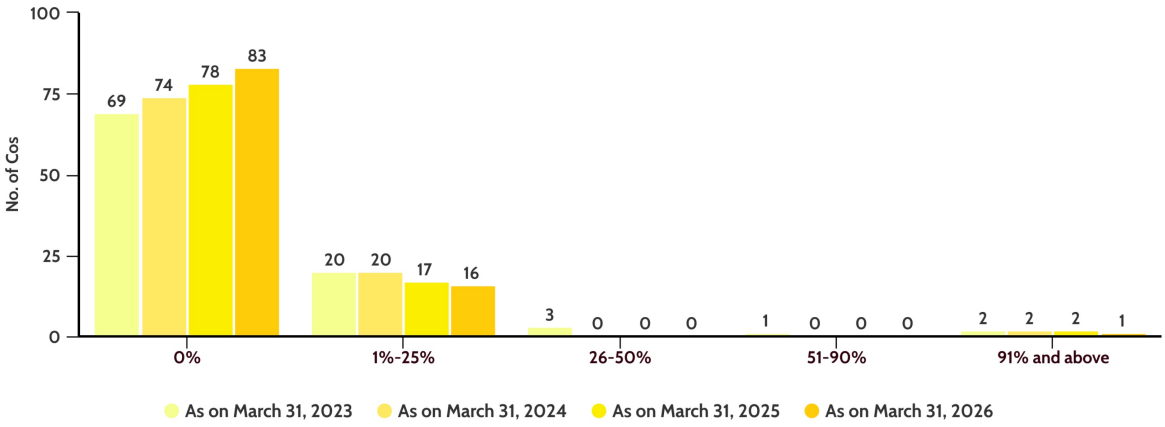
- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*
- *In FY 24, 1 co, in FY 25, 3 cos and in FY 26, 2 cos did not disclose TORs in their Annual Reports.*

- In FY 23, FY 24, FY 25 and FY 26, terms of reference of SRCs of 42, 49, 45 and 47 companies respectively had only the mandatory provisions.

SHARES PLEDGED BY PROMOTERS

Substantial promoter pledging can create uncertainty around the company's ownership and control, particularly if the pledged shares become subject to enforcement. The extent of promoter shares pledged therefore merits close attention from shareholders.

Percentage of shares pledged by promoters



- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*
- *Source: Stock Exchange websites*

- Highest percentage of shares pledged by promoters
  - In FY 23, FY 24 and FY 25, one company's promoter's share pledging continued to be 99.99%, which reduced to 95.13% in FY 26.
- In all 4 FYs, 67 companies had no promoter shares pledged.

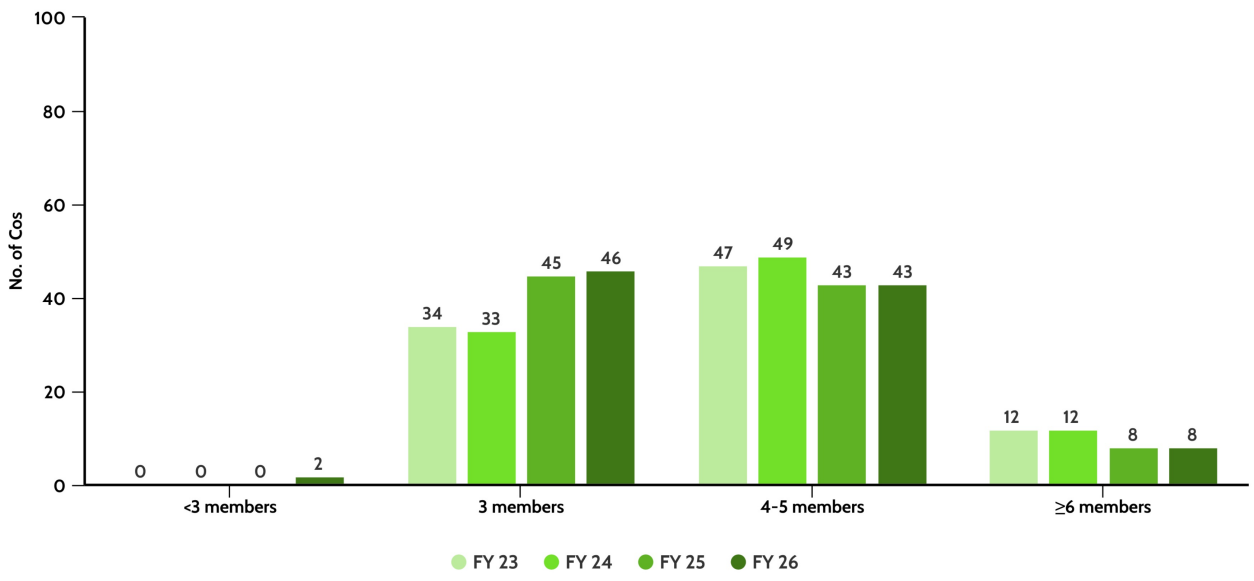
CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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.*

The CSR Committee should have a suitable mix of Directors to bring different perspectives to CSR activities. Beyond allocation of funds and selection of projects, the Committee should consider whether CSR initiatives are aligned with the company's broader responsibilities and capable of creating meaningful impact.

Number of members in CSRC



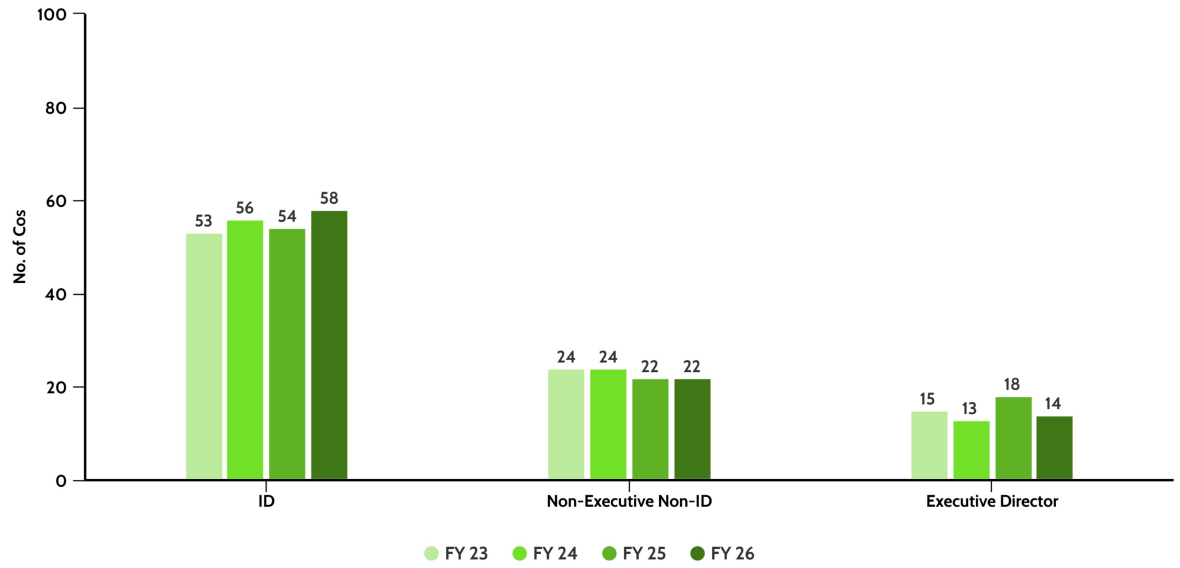
- *Provisions of CSR were not applicable to 2 cos each in FY 23 and in FY 24; and 1 co each in FY 25 and in FY 26.*
- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*

- Highest number of members in previous 4 FYs was 9 in 1 company.

CATEGORY OF DIRECTOR CHAIRING CSRC

The Chairperson of the CSR Committee can significantly influence the attention given to CSR at the Board level. The Chairperson should ensure that CSR remains a continuing responsibility, with due attention to the selection, implementation and review of projects.

Category of Director Chairing CSRC



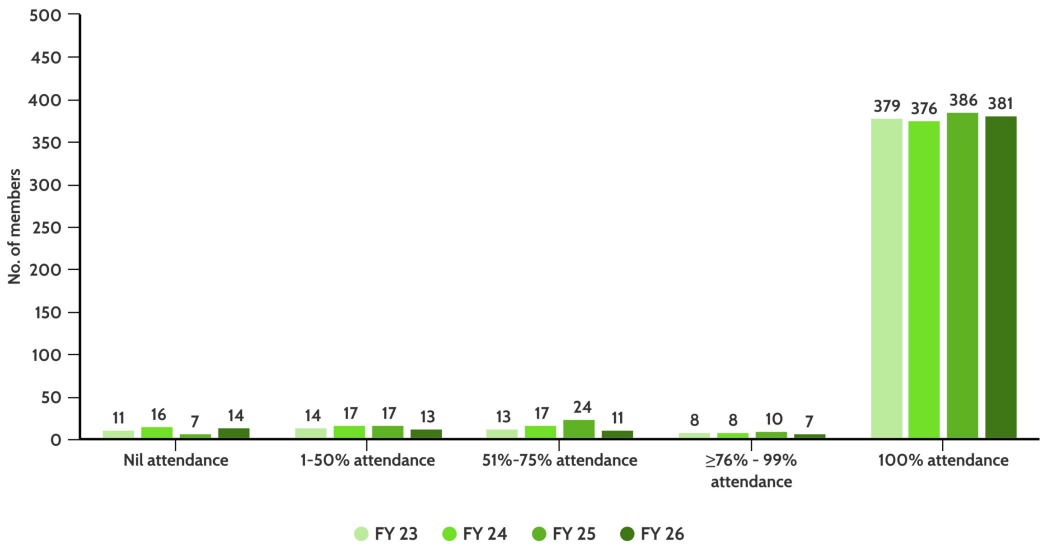
- *Provisions of CSR were not applicable to 2 cos each in FY 23 and in FY 24; and 1 co each in FY 25 and in FY 26.*
- *In all 4 FYs, 1 co did not have a fixed CSRC chair.*
- *In FY 25, 1 co and in FY 26, 4 cos did not have a CSRC chair on March 31.*
- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*

- In previous 4 FYs, 47 companies continued to have IDs as Chairs of the committee.

ATTENDANCE OF CSRC MEMBERS

The CSR Committee is responsible for decisions relating to the deployment of CSR funds and the projects supported. Members should therefore regularly attend meetings to understand the basis for such decisions and monitor the progress of the initiatives supported.

Attendance of CSRC members



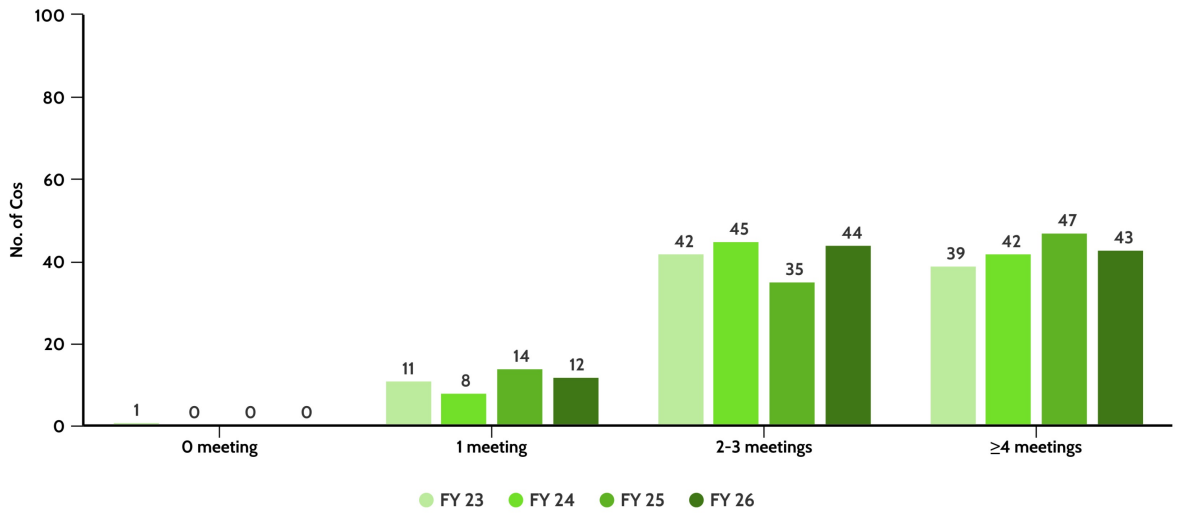
- *Attendance information is based on details disclosed by cos.*
- *Provisions of CSR were not applicable to 2 cos each in FY 23 and in FY 24; and 1 co each in FY 25 and in FY 26.*
- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*

- In FY 23, 89.18% of members had 100% attendance.
- In FY 24, 85.84% of members had 100% attendance.
- In FY 25, 85.97% of members had 100% attendance.
- In FY 26, 88.60% of members had 100% attendance.

NUMBER OF MEETINGS OF CSRC

CSR activities involve identification and approval of projects, implementation and assessment of outcomes. Three meetings during the financial year would provide the Committee with reasonable opportunities to review projects at different stages and address issues arising during implementation.

Number of meetings of CSRC



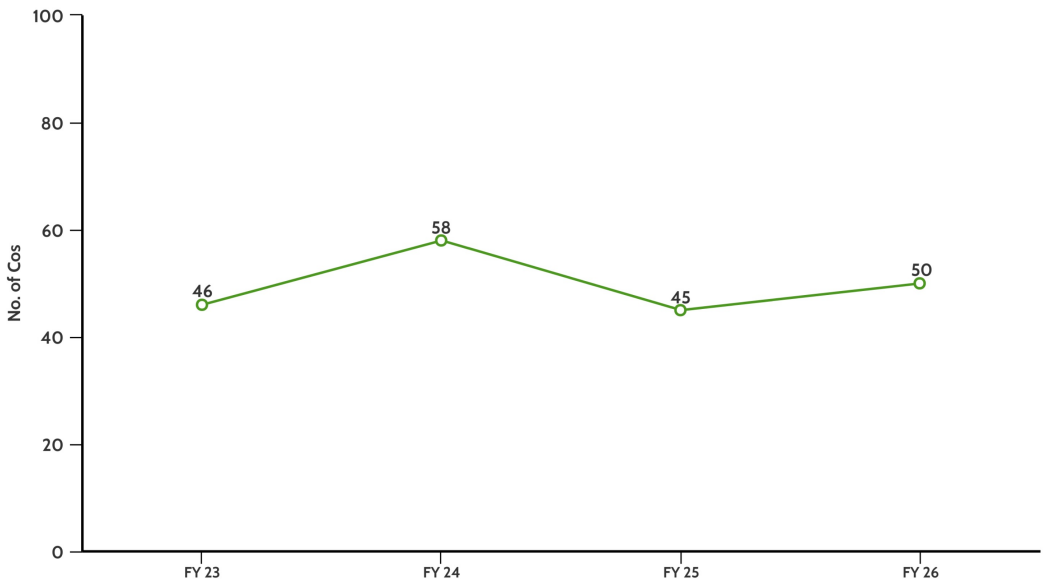
- *Provisions of CSR were not applicable to 2 cos each in FY 23 and FY in 24; and 1 co each in FY 25 and in FY 26.*
- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*

- Highest number of meetings
  - in FY 23 was 10 each in 2 companies.
  - in FY 24 was 13.
  - in FY 25 was 12.
  - In FY 26 was 12.
- In previous 4 FYs, 4 companies continued to convene only 1 meeting.

EMPLOYEE VOLUNTEERING IN CSR

Employee participation can add a dimension to CSR beyond financial contribution, by providing a closer understanding of the communities and beneficiaries involved and building greater awareness of the company's social commitments. Employee participation is therefore worth considering when assessing the effectiveness of CSR initiatives.

Employees volunteering in CSR activities



- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*

- In previous 4 FYs, 28 companies have continued with the practice of encouraging employee volunteering in the CSR efforts.

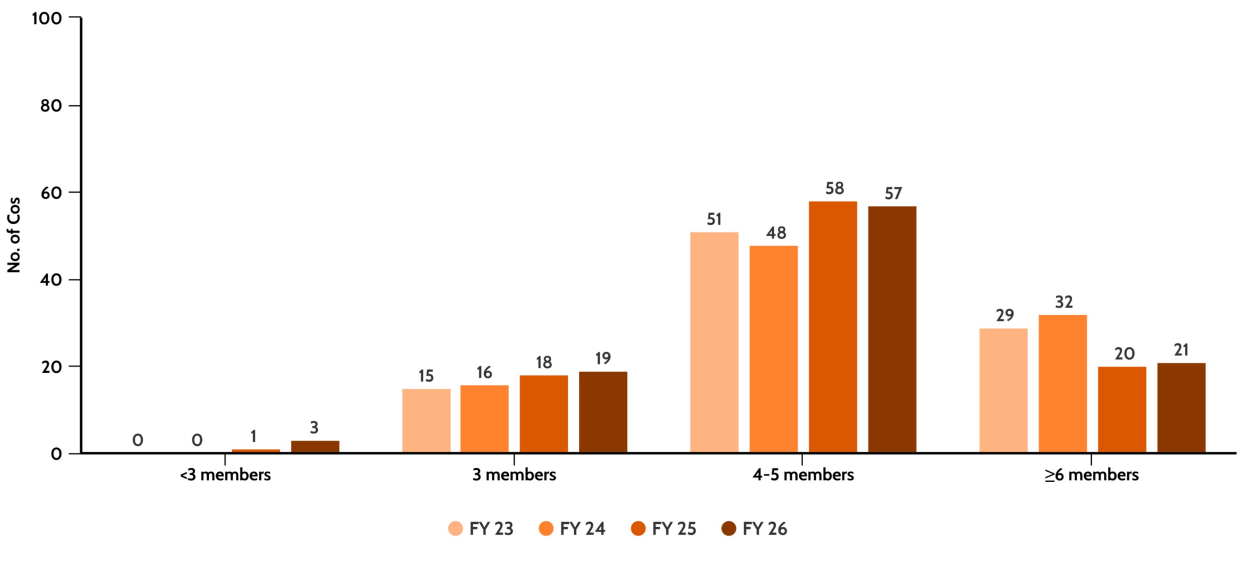
RISK MANAGEMENT COMMITTEE

COMPOSITION OF RMC

- *As per Regulation 21(5) of SEBI LODR Regulations, 2015, the provisions of this regulation shall be applicable to the*
  i. the top 1000 listed entities; and,
  ii. a 'high value debt listed entity'.
- *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.*
- *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.*

Risk management today extends well beyond financial and operational risks, covering areas such as technology, cyber security, regulatory compliance, reputation and business continuity. The composition of the RMC should reflect this breadth, with the collective experience of its members enabling the Committee to understand and question the different risks faced by the company.

Number of members in RMC

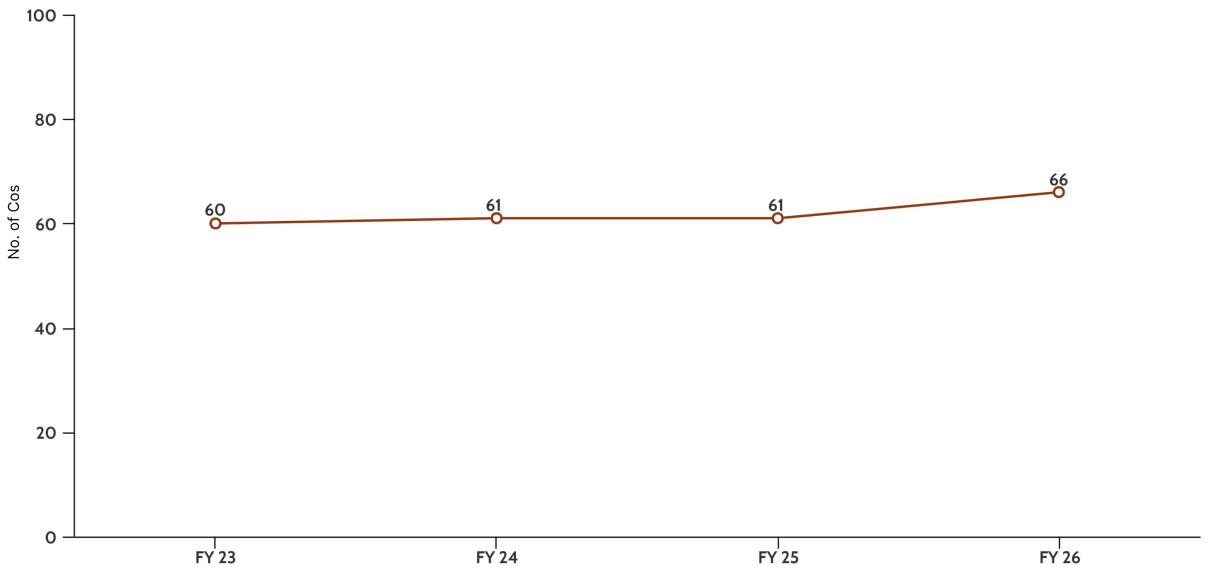


- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*

- Highest number of members
  - in FY 23, was 10 in 1 company.
  - in FY 24, was 9 in 1 company.
  - in FY 25, was 10 in 1 company.
  - in FY 26, was 10 in 1 company.

RMCs WITH ONLY BOARD MEMBERS

RMCs with only Board members

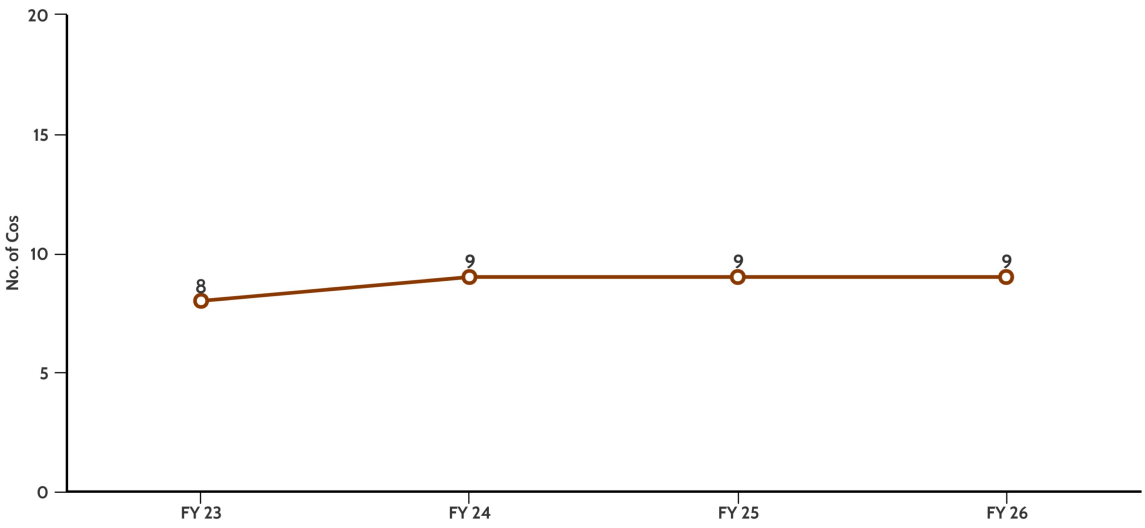


- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*

- In 4 FYs, of the companies which had RMCs with all Board members, 52 were common.

RMCs WITH ONLY IDs

RMCs with only IDs

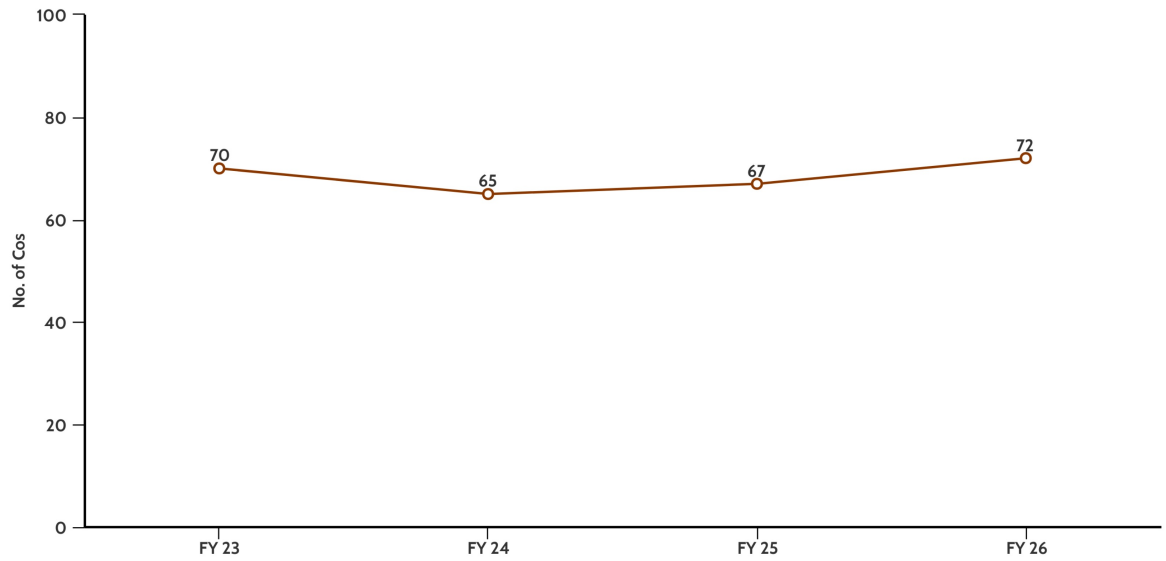


- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*

ID AS CHAIR OF RMC

An Independent Director as Chair can bring an external perspective to risk management discussions and help ensure that management is appropriately challenged on significant risks and their mitigation.

ID as Chair of RMC



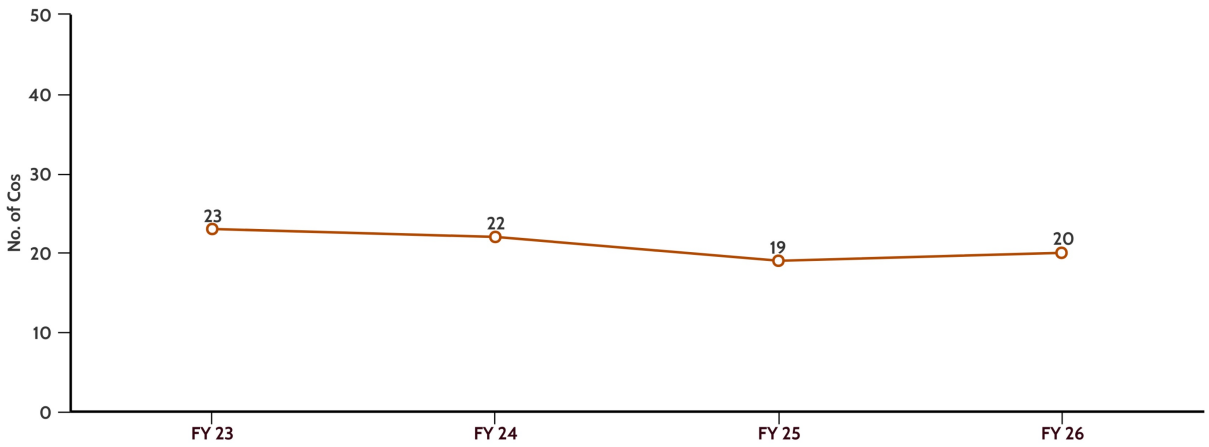
- *In FY 25, 1 co and in FY 26, 2 cos, had no chair on March 31.*
- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*

- In 4 FYs, of the companies which had IDs as Chairs of RMCs, 56 were common.

COMMON CHAIR BETWEEN AC AND RMC

The Audit Committee and the RMC have overlapping areas of oversight, but different responsibilities. Having the same Chairperson for both Committees may limit the diversity of perspectives and the independent challenge that each Committee should bring to risk management.

Cos having common Chair between AC and RMC



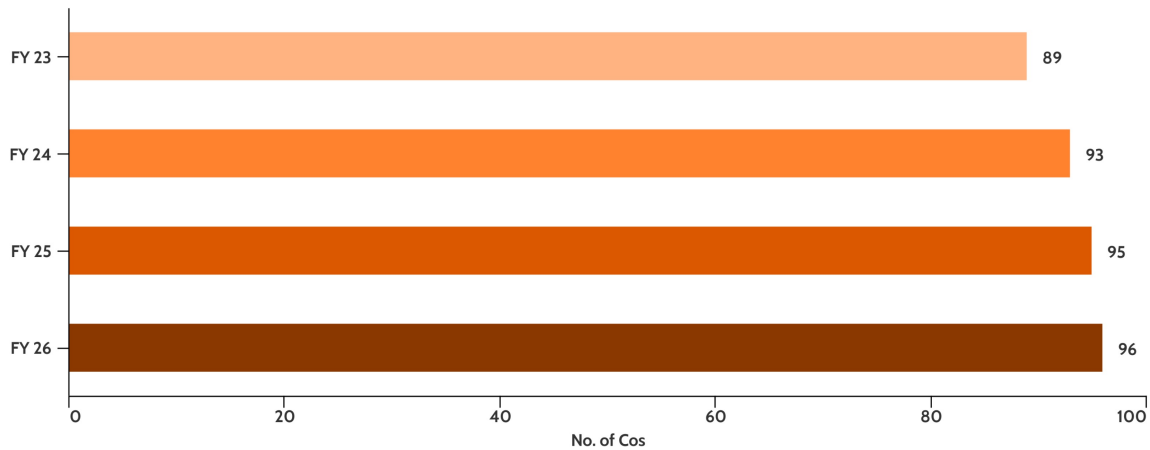
- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*

- In previous 4 FYs, 12 companies are 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.

Cos having at least one common member between AC and RMC



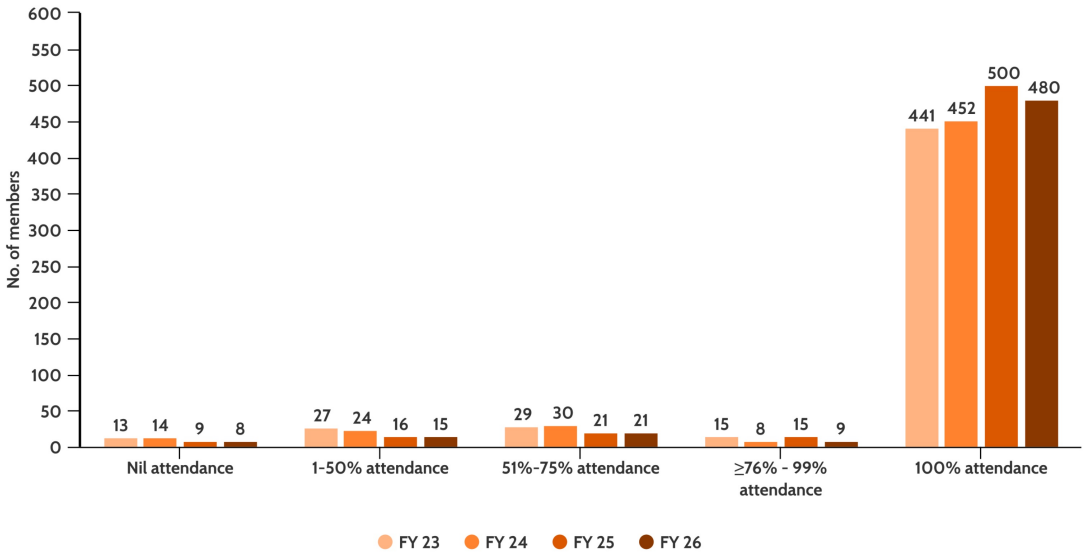
- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*

- In previous 4 FYs, 85 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.

Attendance of RMC members



- *Attendance information is based on details disclosed by cos.*
- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*

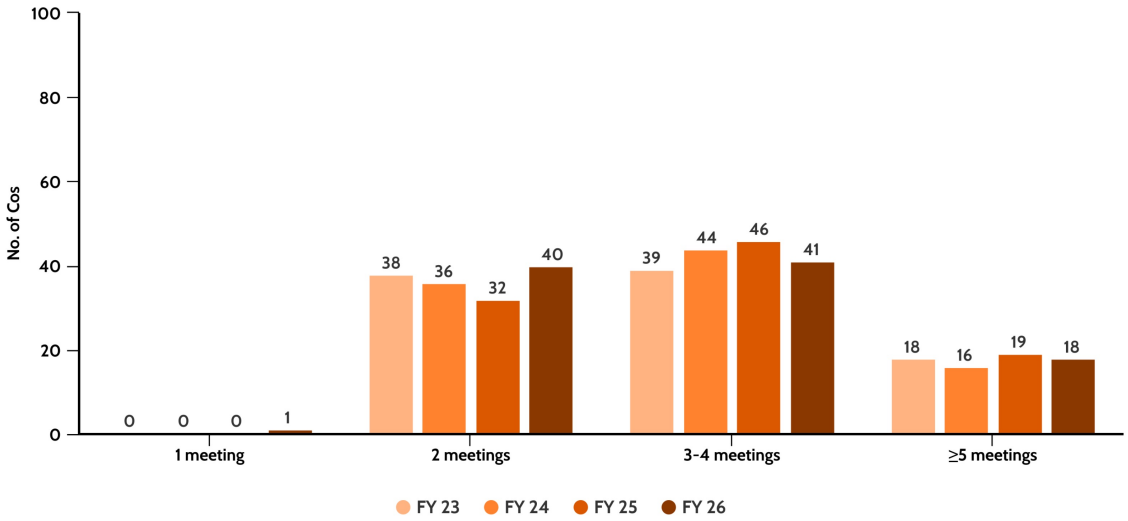
- In FY 23, 83.52% of members had 100% attendance.
- In FY 24, 84.80% of members had 100% attendance.
- In FY 25, 88.97% of members had 100% attendance.
- In FY 26, 89.72% of members had 100% attendance.

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 financial year.*
- *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 two hundred and ten days shall elapse between any two consecutive meetings.*

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

Number of meetings of RMC



- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*

- In previous 4 FYs, 17 companies continued to convene only 2 meetings.
- Highest number of meetings
  - in FY 23 was 12.
  - in FY 24 was 11.
  - in FY 25 was 10.
  - In FY 26 was 11.

TOP 8 RISKS IDENTIFIED BY COMPANIES

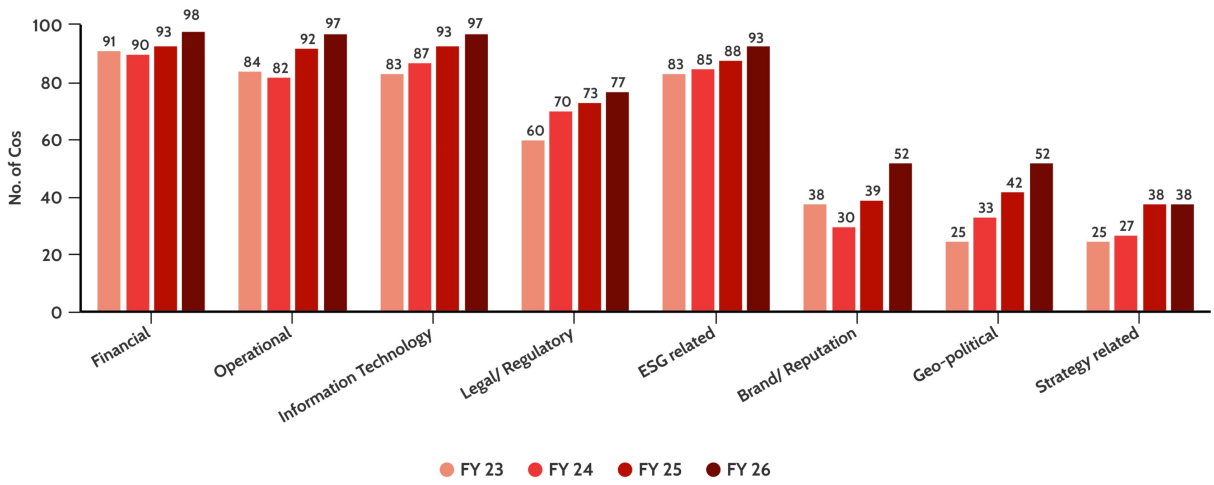
- *As per Regulation 21(4) of SEBI LODR Regulations, 2015, the board of directors shall define the role and responsibility of the Risk Management Committee and may delegate monitoring and reviewing of the risk management plan to the committee and such other functions as it may deem fit such function shall specifically cover cyber security.*

- *As per Part D of Schedule II 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) of SEBI LODR Regulations, 2015, Management Discussion and Analysis:*
  (1) 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

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

Top 8 risks identified by companies



- *Financial risks include risks relating to credit, liquidity, market, interest rate, foreign exchange/ currency, commodity, and costs.*
- *Operations risks include risks relating to business, client, supply/supplier/supply chain, vendor, physical asset, and outsourcing.*
- *IT risks include risks relating to data privacy, technology, cyber and AI.*
- *Legal/ regulatory risks include risks relating to compliance, and litigation.*
- *ESG related risks include risks relating to HSE, climate, natural and man-made disasters, and natural resources.*
- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*

- 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, human rights, diversity and inclusion, business ethics and integrity, fraud, IPR, Research and Development etc.

CYBER SECURITY INCIDENTS

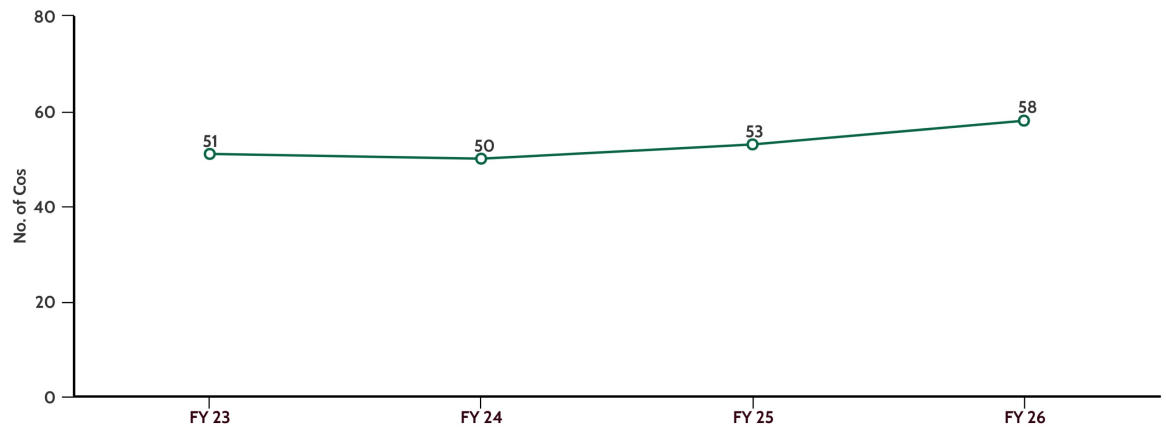
- *As per Regulation 27(2) of SEBI LODR Regulations, 2015,*
  (a) The listed entity shall submit, to the recognised stock exchange(s), a quarterly compliance report on corporate governance in the format and within the timelines, as may be specified by the Board from time to time.
  (ba) Details of cyber 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.

- During FY 24, 20 companies reported cyber security incidents/breaches or loss of data occurrences. Of these, only 10 companies gave details of the breach.
- During FY 25, 7 companies reported cyber security incidents/breaches or loss of data occurrences. Of these, only 6 companies gave details of the breach.
- During FY 26, 15 companies reported cyber security incidents/breaches or loss of data occurrences. All companies gave details of the breach.

PRESENCE OF CHIEF RISK OFFICER

The effectiveness of the risk management function depends not just on having a Chief Risk Officer, but also on giving the role sufficient authority within the organisation. The CRO should be able to raise concerns with senior management and bring significant risks to the RMC without hesitation. Giving the CRO too many other responsibilities can also take away from the focus required for the risk management function.

Cos having Chief Risk Officer



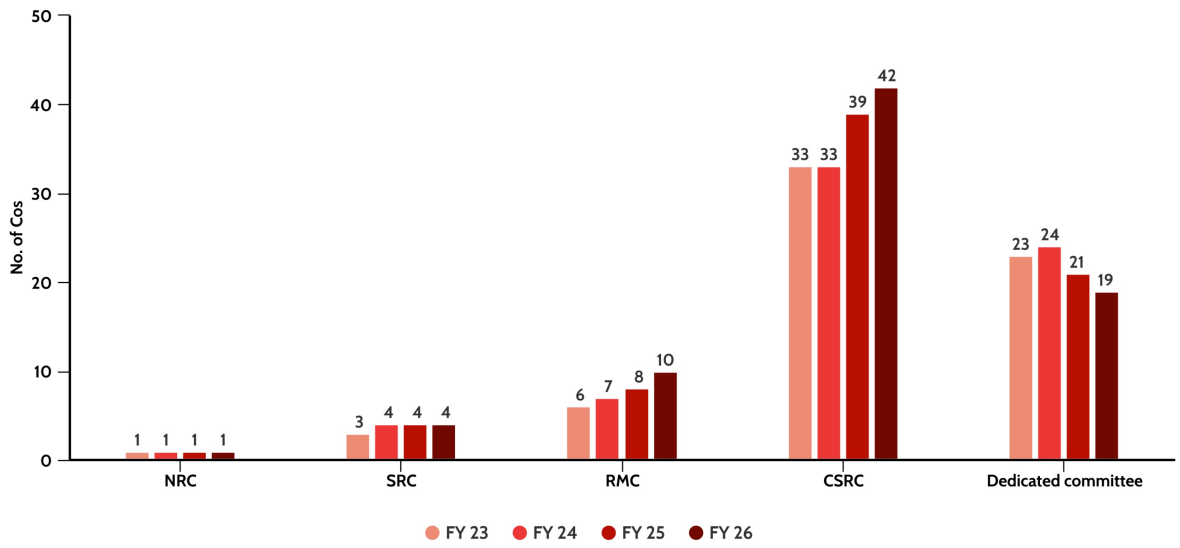
- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*

- In all 4 FYs, 45 companies have disclosed the appointment/ presence of a CRO.

COMMITTEE HANDLING ESG/ SUSTAINABILITY

ESG and sustainability involve long-term business, environmental and stakeholder considerations that may not receive sufficient attention within routine Board agendas. A designated Committee can provide focused oversight of the company's ESG priorities, targets and progress.

Committee handling ESG/ BRSR/ Sustainability



- *All committees that handled these aspects have been considered.*
- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*

- In FY 23, FY 24, FY 25 and FY 26, 32, 30, 27 and 26 companies respectively did not have any Board level committee handling ESG, BRSR or sustainability.

QUORUM IN BOARD AND COMMITTEE MEETINGS

In order to ensure that there are adequate discussions in meetings, leading to informed decisions, it is necessary to ensure that the prescribed quorum is in place. In the absence of a quorum, the meeting should be adjourned. In our view, decisions taken in meetings without the prescribed quorum are inconsistent with legal provisions.

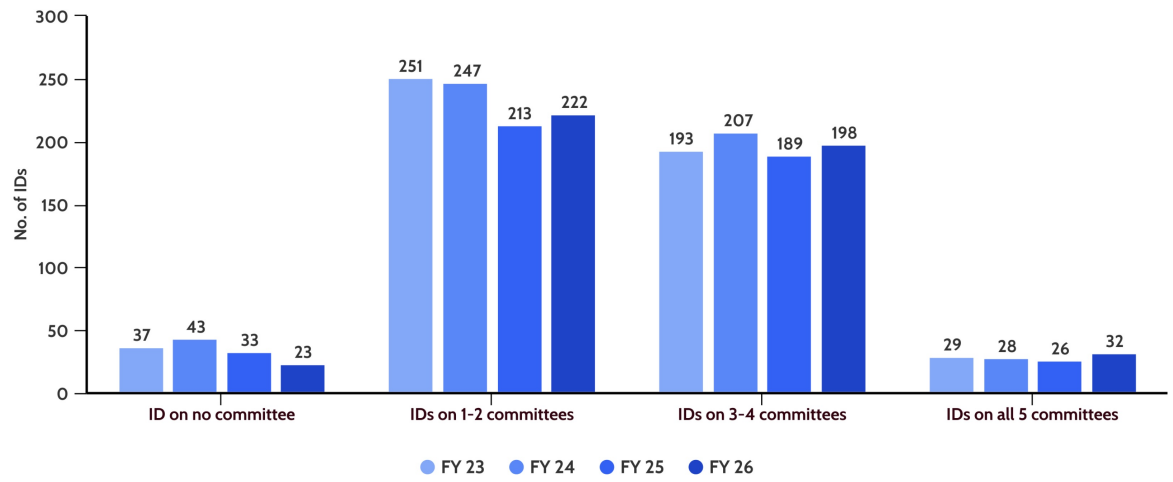
- Only listed companies in the relevant FYs have been considered since this information is available on the Stock Exchanges.
- The requisite quorum was not present for Board and committee meetings in the following number of companies:
  - FY 25- Board meetings
    - Q3: 2 companies
    - Q4: 5 companies
  - FY 25- Committee meetings
    - Q3: 1 company each for the AC, NRC, and CSRC.
    - Q4: 5 companies for AC meetings and 2 companies for NRC meetings.
  - FY 26- Board meetings
    - Q1: 2 companies
  - FY 26- Committee meetings
    - Q1: 1 company each for AC and NRC meetings.
- FY 2023 and FY 2024
  - All companies had the requisite quorum for Board and committee meetings in every quarter.

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.

Membership of ID(s) on multiple committees



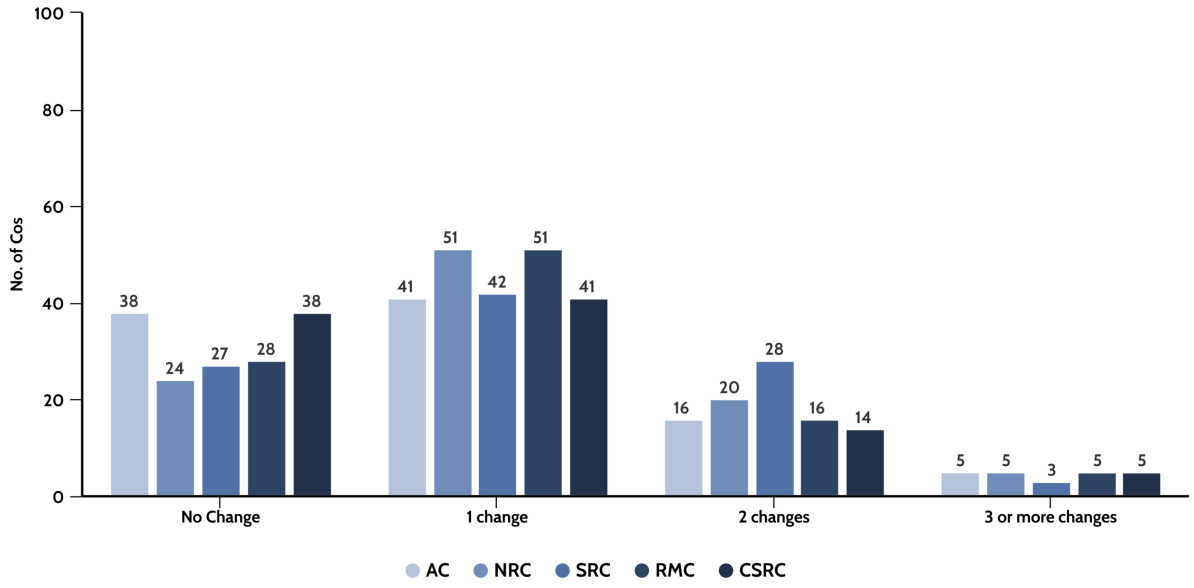
- *As on March 31, 2025, 5 cos and as on March 31, 2026, 4 cos, did not have IDs on their Boards.*
- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*

- In the previous 4 FYs, 12 companies continued to have at least 1 of their IDs on all 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.

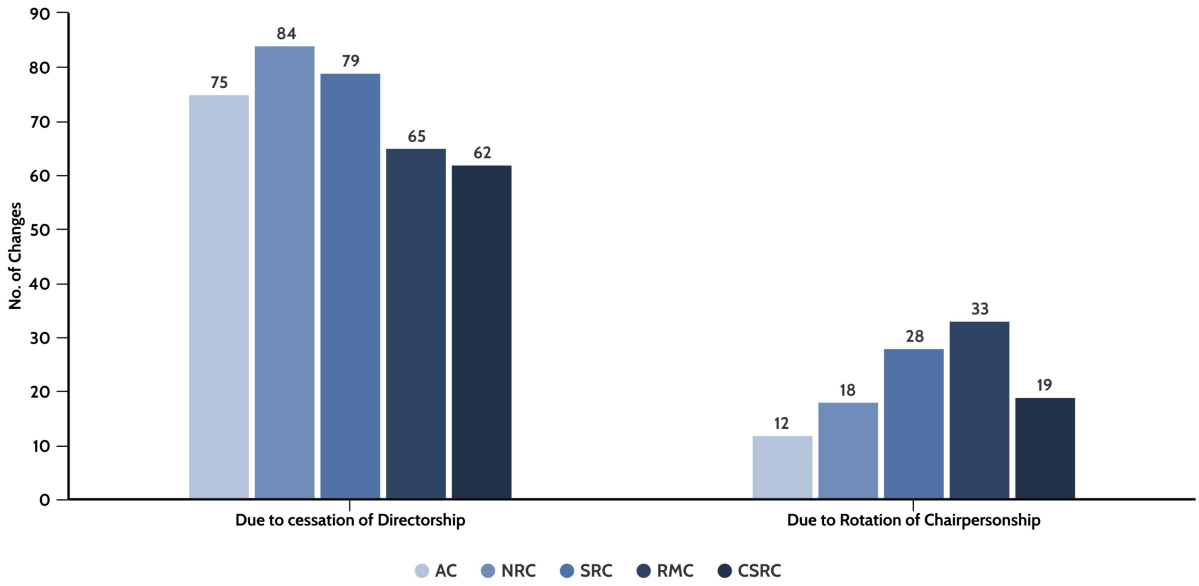
Change in Chairs of committees between FY 22 and FY 26



- *Provisions of CSR were not applicable to some cos. Those have not been considered. Also, 1 co did not have a fixed CSRC chair as on March 31, 2026.*
- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*

REASON FOR CHANGES IN CHAIRS OF COMMITTEES

Reason for change in Chairs of committees between FY22 and FY26

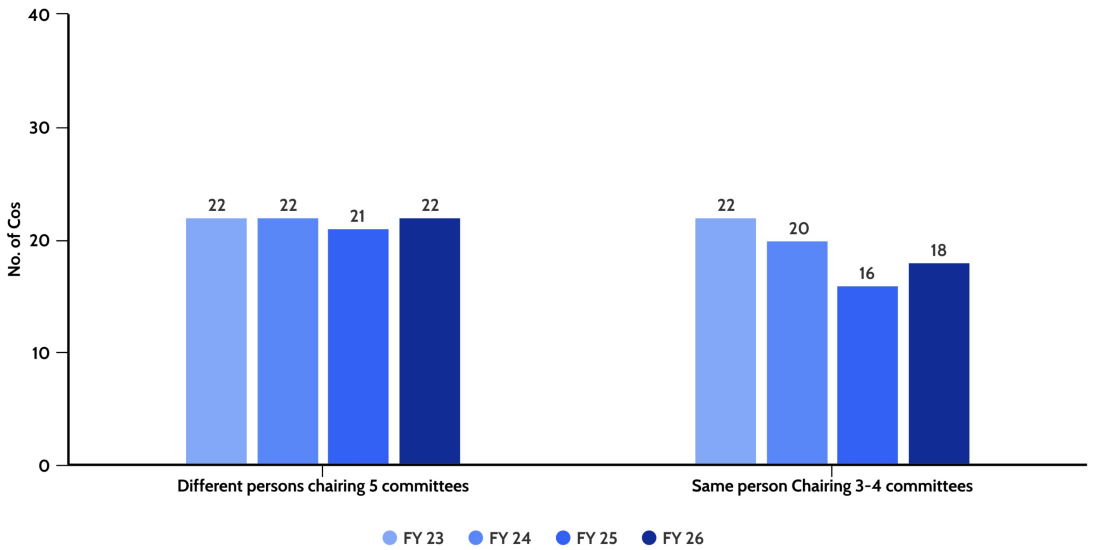


- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*

SAME DIRECTOR CHAIRING MULTIPLE COMMITTEES

Chairing a Board committee requires considerable time and preparation, as well as responsibility for guiding deliberations and follow-up. A Director chairing several committees may therefore find it difficult to devote sufficient attention to each. Committee chairmanships should be distributed appropriately, having regard to the demands of each Committee and the Director's other responsibilities.

Same Director Chairing multiple Committees

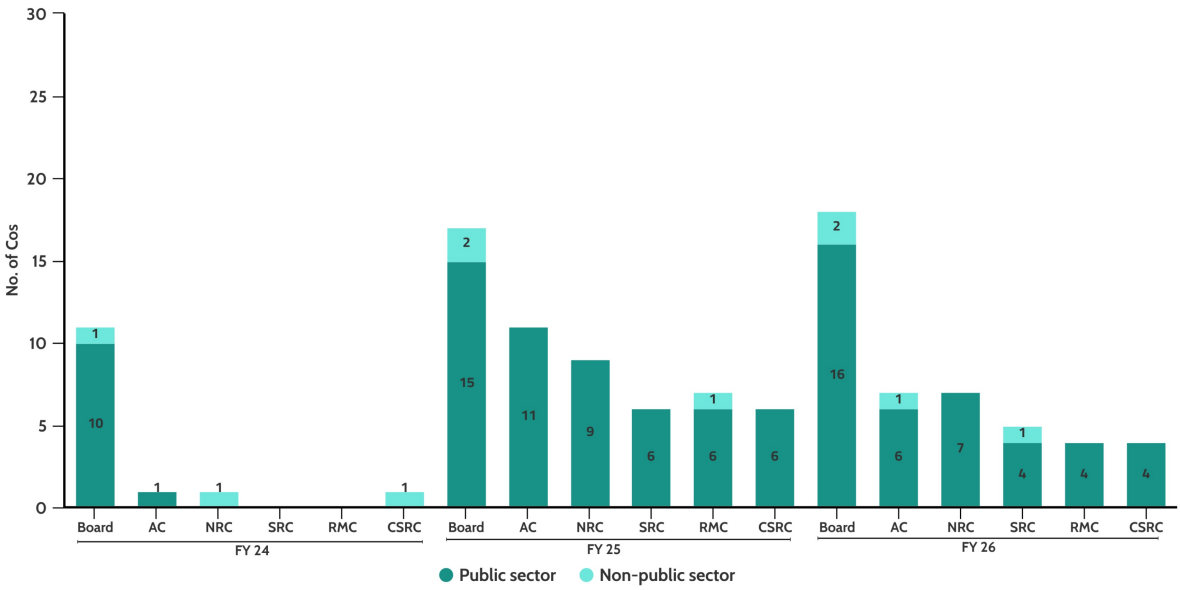


- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*

- In previous 4 FYs, 9 companies continued to have different Directors chairing each of the 5 mandatory committees.
- 1 company each in the 4 FYs had the same Director chairing all 5 mandatory committees.
- If a Director is chairing 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

Non-compliance in Board and Committee composition



- *Public sector includes PSUs, PSBs and SBI*

- In all 4 FYs, 8 companies, including 6 PSUs, continued to have non-compliant Board composition.
- In all 4 FYs, 1 company (non-PSU) continued to have non-compliant AC composition.

ANNUAL GENERAL MEETINGS

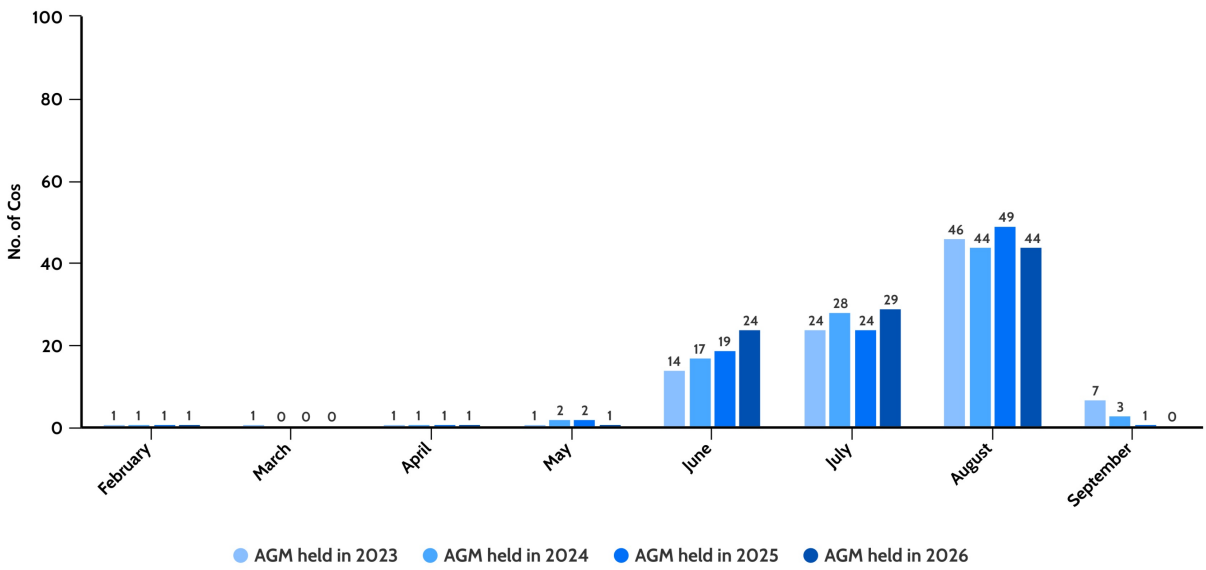
MONTH IN WHICH AGM WAS HELD

- *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 and shall specify the meeting as such in the notices calling it, and not more than fifteen months shall elapse between the date of one annual general meeting of a company and that of the next: 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 shall hold their annual general meetings within a period of five months from the date of closing of the financial year.*

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. AGMs in hybrid mode could be considered.

Month in which AGM was held

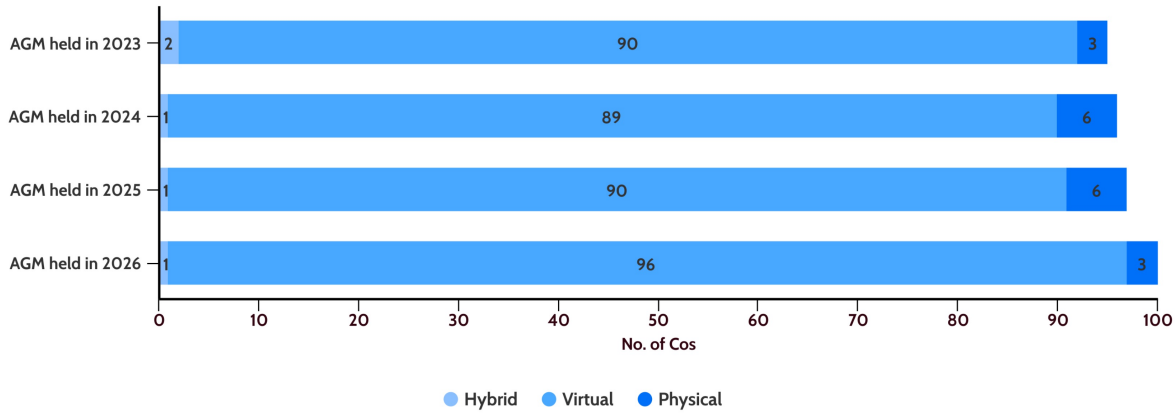


- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*

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. This will ensure that while outstation shareholders are enabled to participate, a reasonable number of shareholders turn up in person for the AGM.

Mode of AGM - Physical/ Virtual/ Hybrid

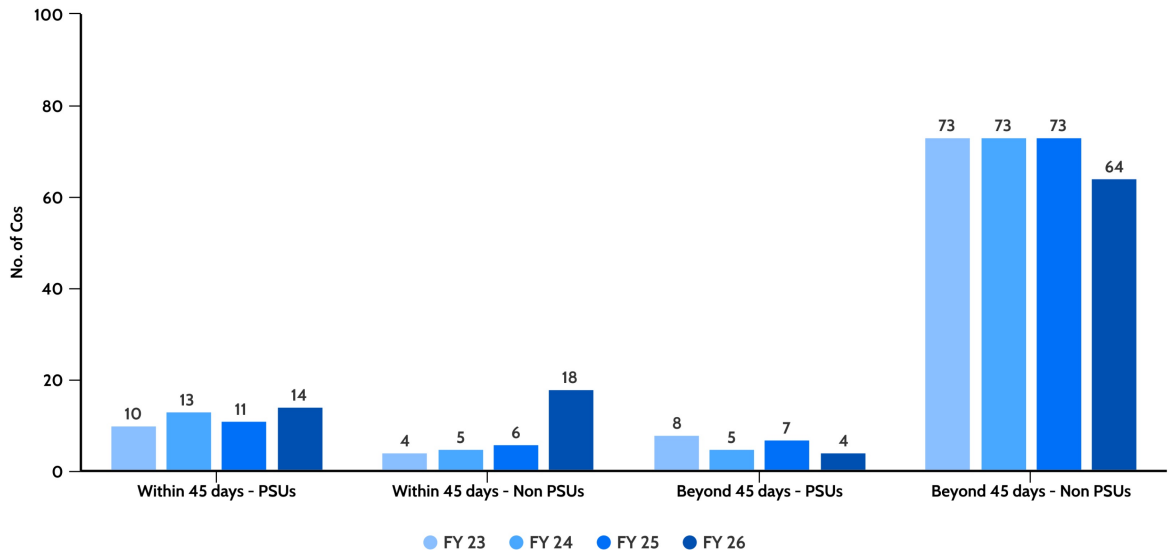


- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*

DAYS 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 have 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.

Days between finalisation of accounts and AGM

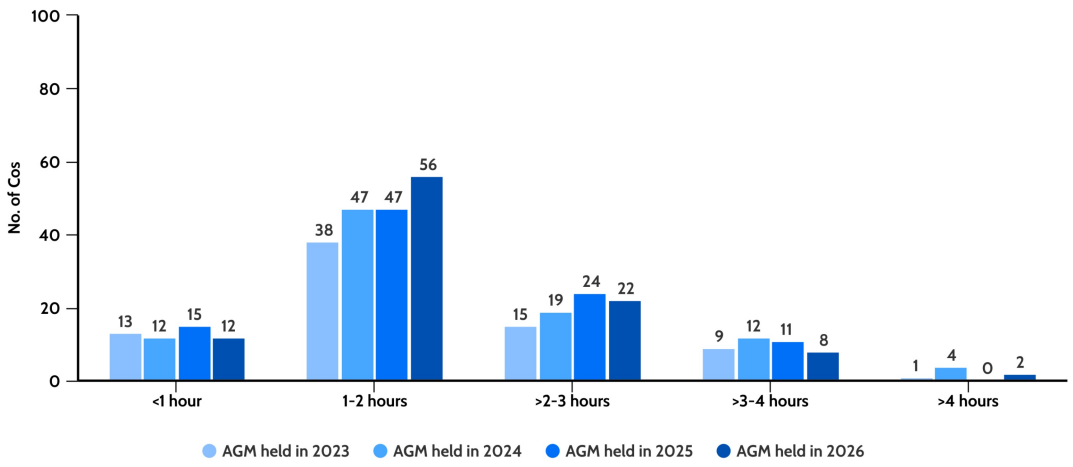


- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*

- The maximum duration
  - in FY 23 was 146 days.
  - in FY 24 was 133 days.
  - in FY 25 was 133 days each in 2 companies.
  - in FY 26 was 131 days.

DURATION OF AGMs

Duration of AGMs

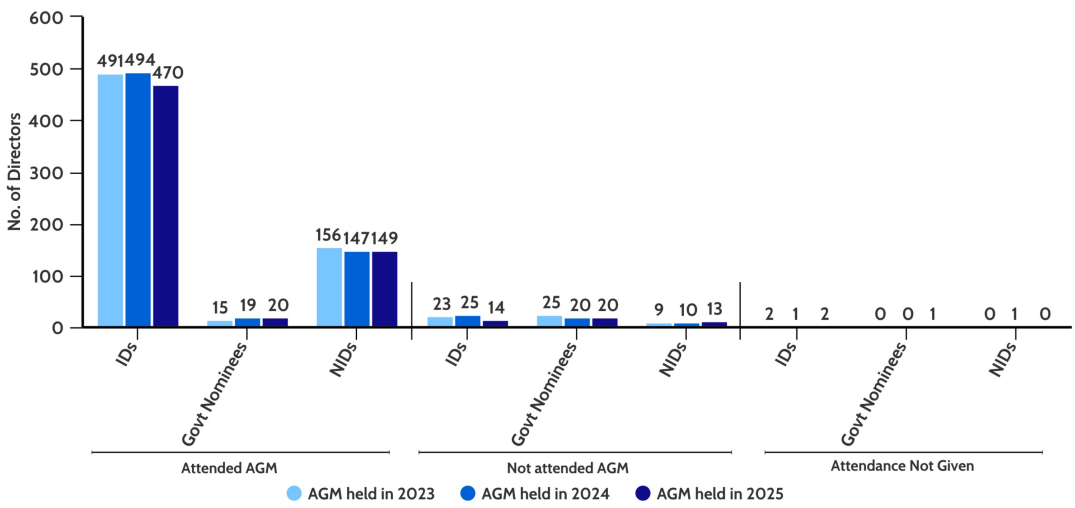


- *Cos that have mentioned start and end time of AGM have been considered.*
- *In year 2023, 5 cos; in year 2024, 4 cos; and in year 2025, 3 cos were not listed.*
- *Source: Proceedings/ transcripts of AGM of respective cos filed with Stock Exchanges.*

- Minimum duration of AGM held in
  - 2023 was 30 minutes each in 2 companies.
  - 2024 was 18 minutes.
  - 2025 was 35 minutes.
  - 2026 was 35 minutes each in 2 companies.
- Maximum duration of AGM held in
  - 2023 was 4 hours 25 minutes.
  - 2024 was 4 hours 55 minutes.
  - 2025 was 4 hours.
  - 2026 was 4 hours 1 minute.
- In previous 4 FYs, 4 companies had AGMs lasting less than 1 hour.

ATTENDANCE AT AGMs

Attendance at AGMs



- *NIDs imply Non-Executive Non-Independent Directors, excluding Govt Nominees.*
- *Attendance information is based on details disclosed by cos.*
- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*

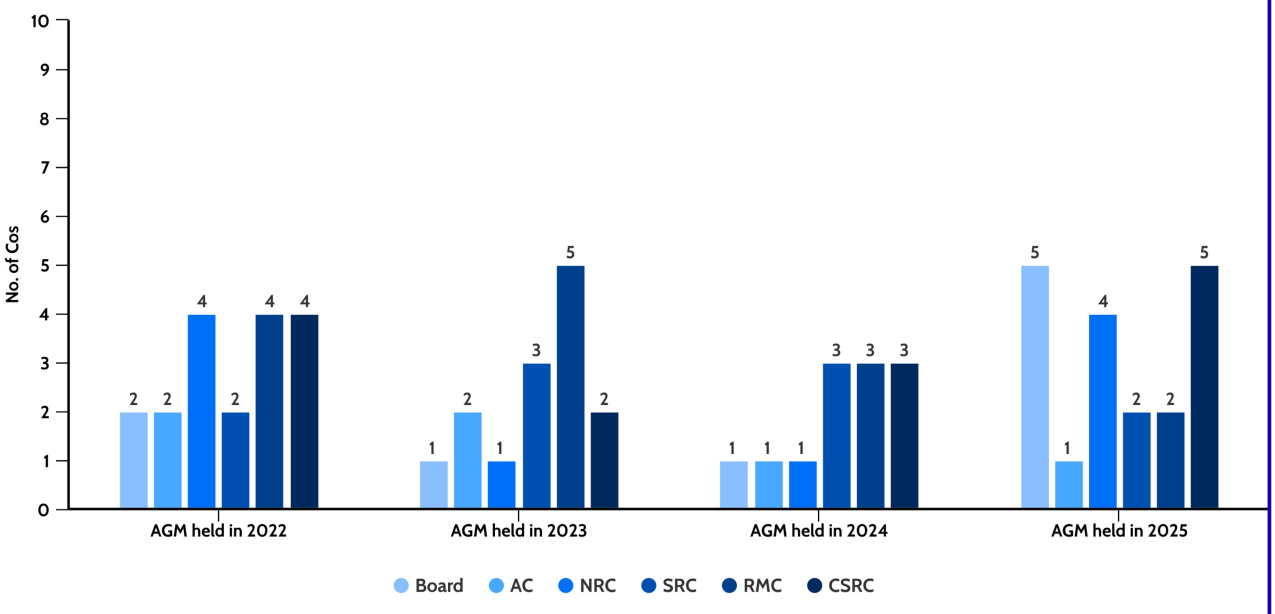
ATTENDANCE OF CHAIRS OF BOARDS AND COMMITTEES AT AGMs

- *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; however, it shall be up to the chairperson to decide who shall answer the 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.*

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.

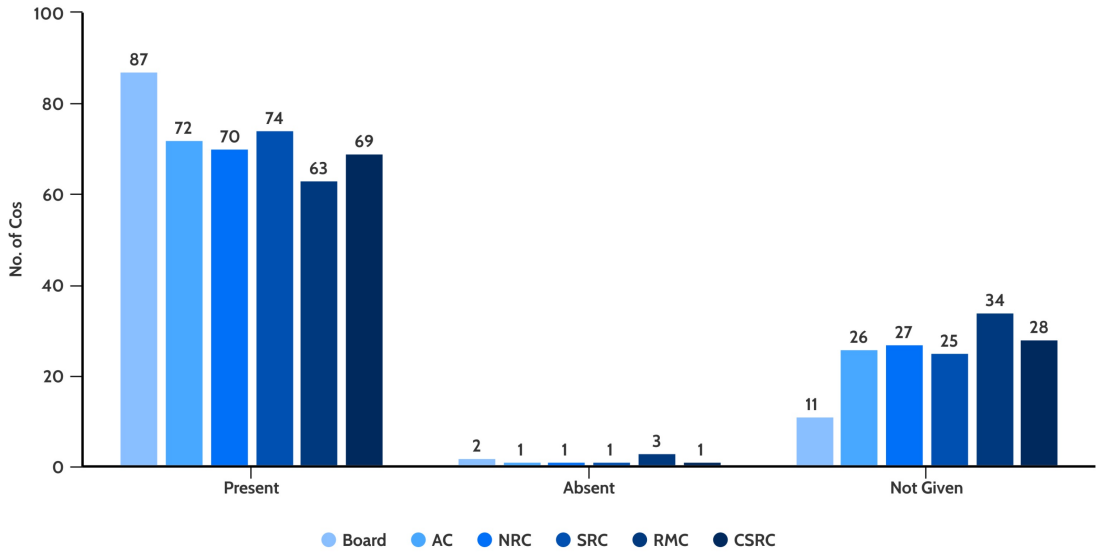
Non-attendance of Chairs of Boards and Committees in AGM



- *Boards and Committees not having Chairs on the dates of AGMs of the respective cos have not been considered.*
- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*

ATTENDANCE OF CHAIRS OF BOARDS AND COMMITTEES AT AGMs (HELD IN 2026)

Attendance of Chairs of Board and Committees in AGMs held in 2026

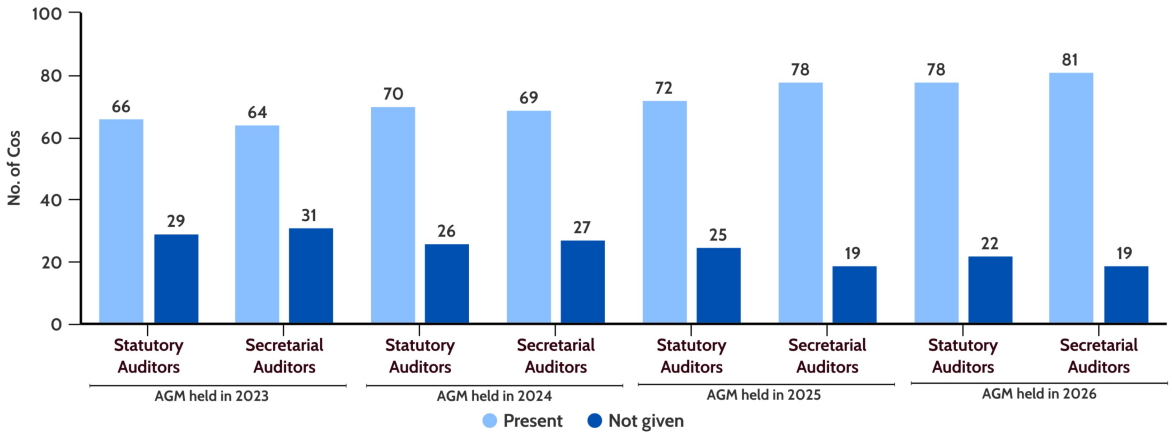


- *In AC, 1 co and in NRC, 2 cos had no chair at the time of AGM. In CSRC, 1 co had no fixed chair.*
- *Provisions of CSR was not applicable to 1 co in FY 26.*
- *Source: Proceedings/ transcript of AGM of respective cos filed with Stock Exchanges.*

PRESENCE OF STATUTORY AND SECRETARIAL AUDITORS IN AGMs

The increasing ease of participating in AGMs remotely has reduced many of the practical difficulties shareholders may earlier have faced. Shareholders should therefore make greater use of the opportunity to participate, particularly when matters requiring their consideration or approval are placed before them. Greater participation would also make the AGM a more meaningful forum for shareholder engagement.

Presence of Statutory and Secretarial Auditors in AGMs



- *In year 2023, 5 cos; in year 2024, 4 cos; and in year 2025, 3 cos were not listed.*
- *Source: Proceedings/ transcripts of AGM of respective cos filed with Stock Exchanges.*

- In previous 4 FYs, Statutory Auditors of 66 companies and Secretarial Auditors of 63 companies continued to be present at the AGMs.

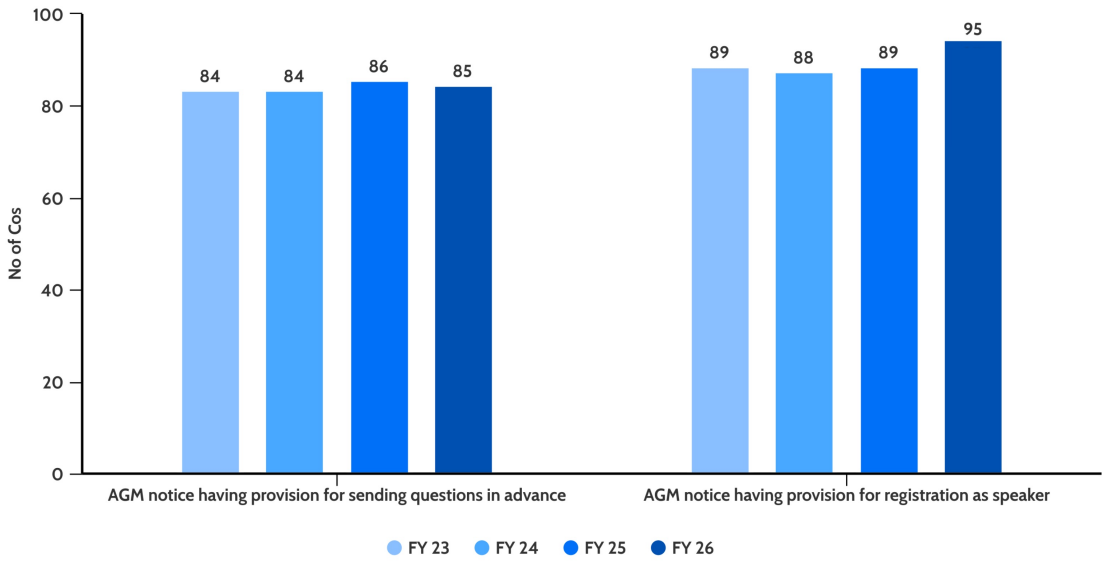
ATTENDANCE OF SHAREHOLDERS PRESENT IN AGMs

- Highest percentage of shareholders who attended the AGMs
  - in year 2023 – 0.24%
  - in year 2024 – 0.183%
  - in year 2025 – 0.182%
  - in year 2026 – 0.234%

COMPANIES INVITING SHAREHOLDER QUESTIONS IN ADVANCE

Inviting shareholders to submit questions in advance can improve the quality of discussion at the AGM. It gives the Board and management adequate time to consider the questions and provide considered and accurate responses. It also helps ensure that questions raised by shareholders are not missed or left unanswered during the meeting. Companies should therefore consider adopting this practice as part of their AGM process.

Shareholder participation in AGMs



- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*

- In previous 4 FYs, 4 companies did not provide either of the facilities to its shareholders.

RESOLUTIONS

VOTING PATTERN OF RESOLUTIONS IN THE LAST 1 YEAR

- In the shareholder approvals sought in FY 23, 1185 resolutions were proposed, of which 8 resolutions did not get the requisite shareholder support. These were
  - 3 for approval of related party transactions.
  - 1 for increase in limits of borrowings.
  - 1 for increase in limits of providing security.
  - 1 for appointment of an ID.
- In the shareholder approvals sought in FY 24, 1027 resolutions were proposed, of which 5 resolutions did not get the requisite shareholder support. These were
  - 1 for alteration of Articles of Association.
  - 1 for increase in limits of borrowings.
  - 1 for increase in limits of providing security.
  - 2 for appointment of an IDs.
- In the shareholder approvals sought in FY 25, 1210 resolutions were proposed, of which 1 resolution relating to appointment of an ID, did not get the requisite shareholder support.
- In the shareholder approvals sought in FY 26, 1208 resolutions were proposed, of which 6 resolutions did not get the requisite shareholder support. These were
  - 1 for re-appointment of MD.
  - 1 for employee benefit scheme.
  - 1 for alteration of Articles of Association.
  - 3 for appointment of IDs.

RESOLUTIONS RELATING TO APPOINTMENT/ REAPPOINTMENT OF IDs

- FY 2023: Of the 146 resolutions proposed for the appointment/reappointment of IDs, 3 were not approved as they did not receive the requisite votes in favour under the applicable statutory requirements.
- FY 2024: Of the 114 resolutions proposed, 2 were not approved as they did not receive the requisite votes in favour under the applicable statutory requirements.
- FY 2025: Of the 108 resolutions proposed, 1 was not approved as it did not receive the requisite votes in favour under the applicable statutory requirements.
- FY 2026: Of the 130 resolutions proposed, 6 resulted in the appointment of IDs who received less than 80% of shareholder votes in favour. (statutory requirement of requisites votes was met)

RESOLUTIONS RELATING TO REMUNERATION 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, 2023: Of the 265 WTDs on Boards, the appointment resolutions of 179 WTDs referred to compensation. Of these:
  - 127 referred to performance-related pay.
  - 69 referred to profit-linked commission.
  - 83 referred to ESOPs.

- As on March 31, 2024: Of the 268 WTDs on Boards, the appointment resolutions of 178 WTDs referred to compensation. Of these:
  - 126 referred to performance-related pay.
  - 65 referred to commission.
  - 84 referred to ESOPs.

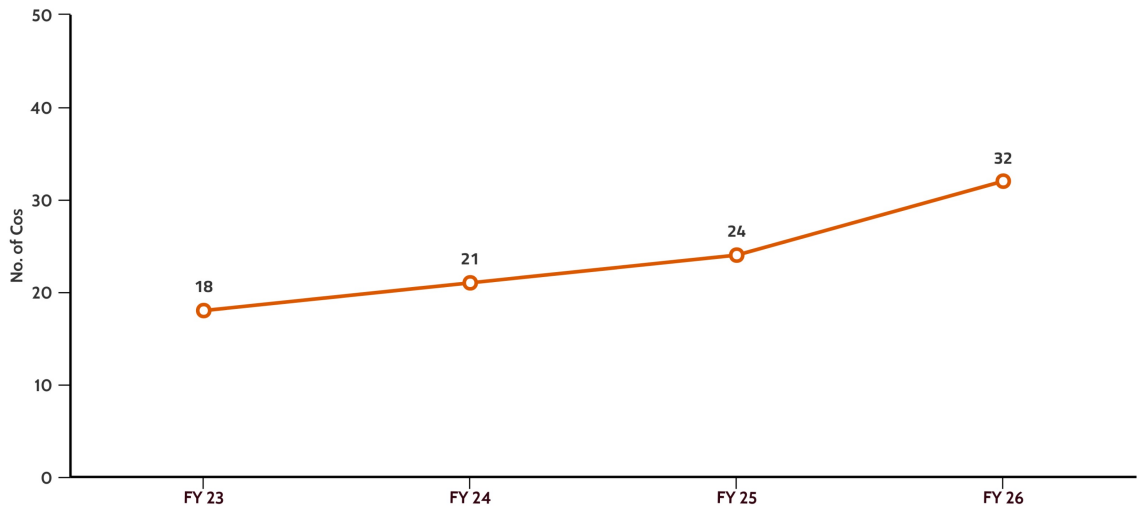
- As on March 31, 2025: Of the 273 WTDs on Boards, the appointment resolutions of 176 WTDs referred to compensation. Of these:
  - 131 referred to performance-related pay.
  - 62 referred to profit-linked commission.
  - 93 referred to ESOPs.

- As on March 31, 2026: Of the 277 WTDs on Boards, the appointment resolutions of 173 WTDs referred to compensation. Of these:
  - 132 referred to performance-related pay.
  - 54 referred to profit-linked commission.
  - 93 referred to ESOPs.

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.

Cos which conducted Shareholder Satisfaction Surveys



- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*

- In previous 4 FYs, 16 companies are common.

RESPONSE TO SHAREHOLDER SATISFACTION SURVEY

The Annual Report should disclose the key findings of the shareholder satisfaction survey and the actions taken by the company in response. Where significant concerns are identified, the Report should indicate how the company proposes to address them.

- Out of the companies which conducted shareholder satisfaction surveys, 1 company in FY 23, and 2 companies each in FY 24, FY 25 and FY 26, disclosed the result of those surveys in their annual reports.

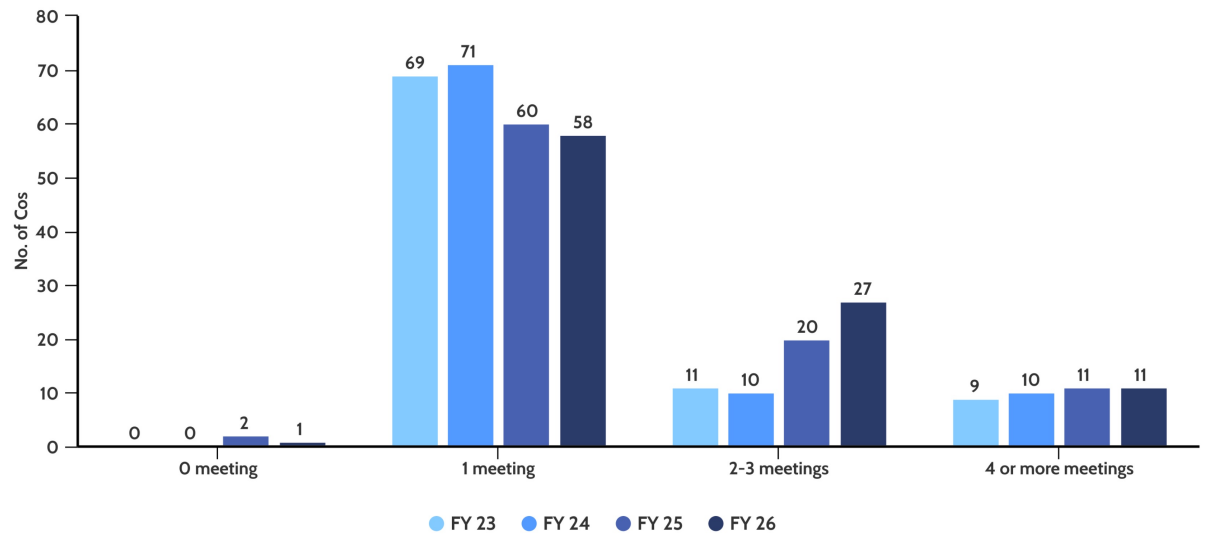
SEPARATE MEETING OF IDs

- *As per para (VII)(1) of Schedule IV of the Companies Act, 2013, the independent directors of the company shall hold at least one meeting in a financial year, without the attendance of non-independent directors and members of management.*
- *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 only the subject of evaluation, and nothing else. Such an approach would be a gross under-utilisation of a very valuable forum.

NUMBER OF MEETINGS

Number of Separate Meeting(s) of IDs

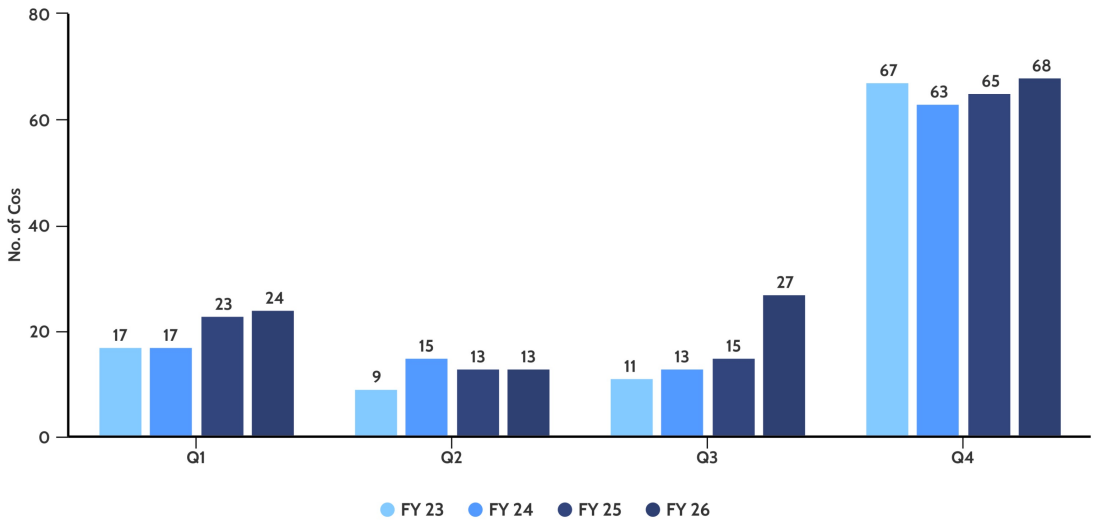


- *In FY 23, 89 cos have been considered. 5 cos were not listed and details of 6 cos were not given.*
- *In FY 24, 91 cos have been considered. 4 cos were not listed and details of 5 cos were not given.*
- *In FY 25, 93 cos have been considered. 3 cos were not listed and details of 4 cos were not given.*
- *In FY 26, 97 cos have been considered. Details of 3 cos were not given.*

- Highest number of meetings in FY 23 and in FY 24 was 5 meetings, in FY 25 was 9 meetings and in FY 26 was 10 meetings.
- In all 4 FYs, 40 companies continued to have only 1 such meeting.

QUARTER(S) IN WHICH HELD

Quarter in which companies conducted Separate Meeting(s) of IDs



- *Quarter denotes quarter for relevant FY.*
- *In FY 23, 80 cos; in FY 24, 82 cos; in FY 25, 82 cos and in FY 26, 88 cos have been considered as details relating to the others were not available.*
- *Some cos conducted more than 1 meeting during the year, and all the meetings have been considered.*

- In FY 23, FY 24, FY 25 and FY 26, 55, 52, 43 and 44 companies had only 1 meeting in Q4.
- In all 4 FYs, 32 companies continued to have only 1 meeting in the month of March.

COMPENSATION TO DIRECTORS

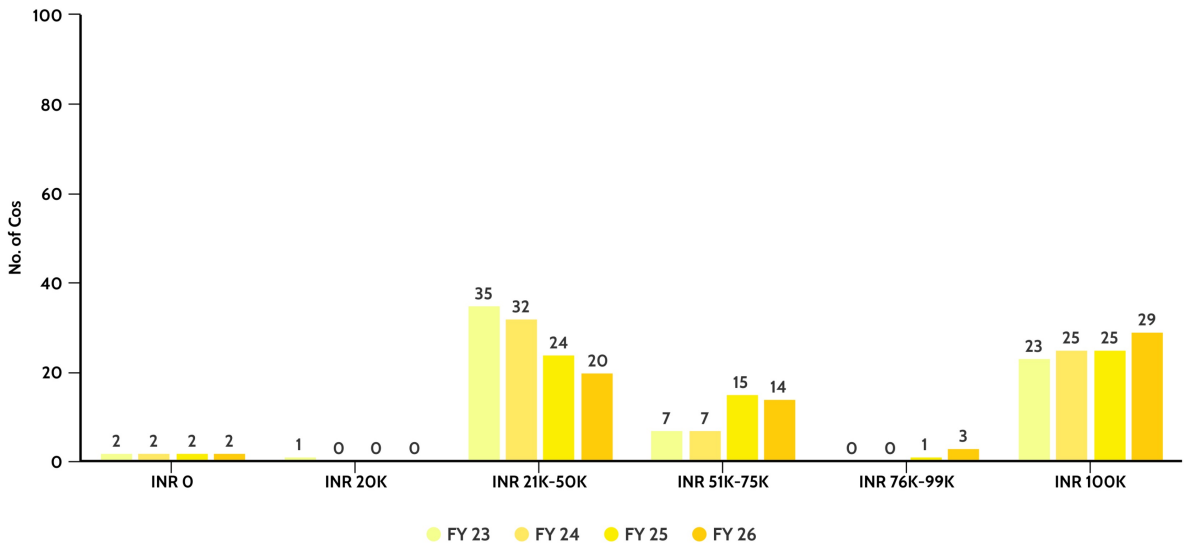
SITTING FEES PAID FOR BOARD MEETINGS

- *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 proviso (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.

Sitting fees paid for Board meetings



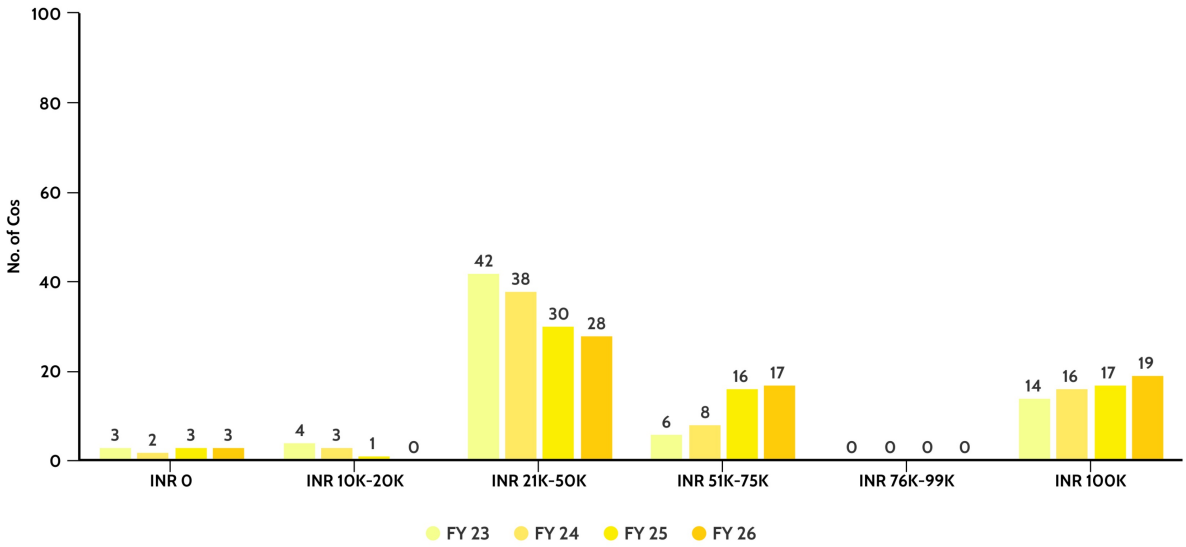
- *Only cos where amount per meeting has been given have been considered.*
- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*

- Following number of companies did not give information relating to sitting fees
  - Board
    - 27 in FY 23,
    - 29 in FY 24,
    - 30 in FY 25,
    - 32 in FY 26.
    - Of these, 25 companies were common.
  - AC
    - 26 in FY 23,
    - 28 in FY 24,
    - 30 in FY 25,
    - 33 in FY 26.
    - Of these, 25 companies were common.
  - NRC
    - 25 in FY 23,
    - 27 in FY 24,
    - 29 in FY 25,
    - 32 in FY 26.
    - Of these, 23 companies were common.
  - SRC
    - 26 in FY 23,
    - 27 in FY 24,
    - 29 in FY 25,
    - 32 in FY 26.
    - Of these, 24 companies were common.
  - RMC
    - 26 in FY 23,
    - 27 in FY 24,
    - 29 in FY 25,
    - 32 in FY 26.
    - Of these, 24 companies were common.
  - CSRC
    - 26 in FY 23,
    - 27 in FY 24,
    - 29 in FY 25,
    - 32 in FY 26.
    - Of these, 24 companies were common.
- In all 4 FYs, 23 companies have paid the maximum permissible amount of INR 1 lakh per Board meeting.
- In all 4 FYs, 2 companies paid additional sitting fees to the Chair of the Board/ committees.

SITTING FEES PAID FOR COMMITTEE MEETINGS

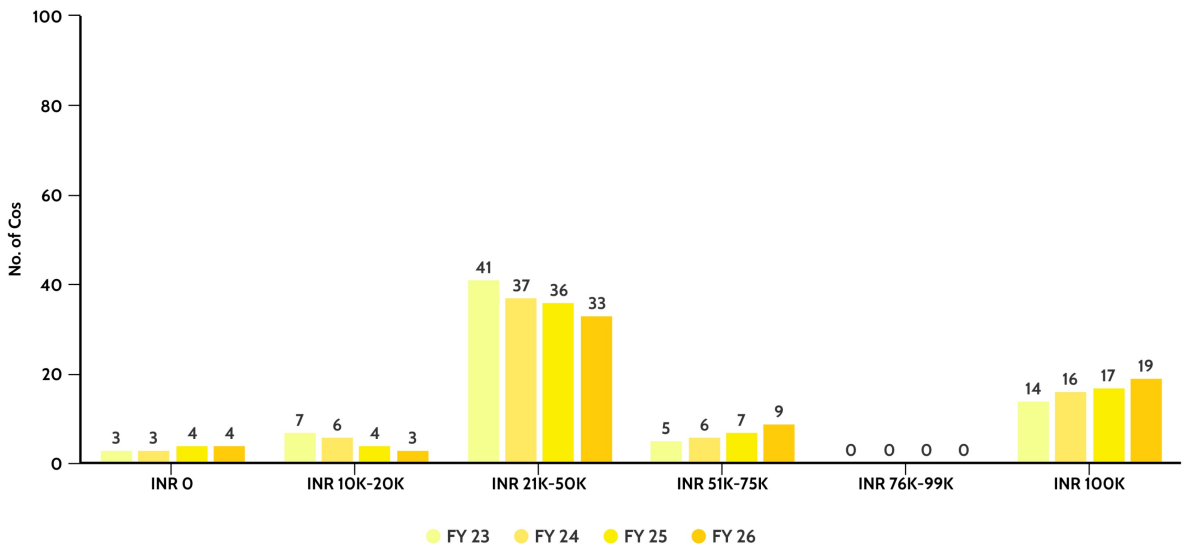
The work of the Board-level committees, especially that of the AC and the NRC, has increased substantially over the years. In addition, RMC, both because of its newness as well as its vast coverage, is also time-taking and requires careful attention. Stated differently, these 3 Board committees should 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.

Sitting Fees paid for AC meetings



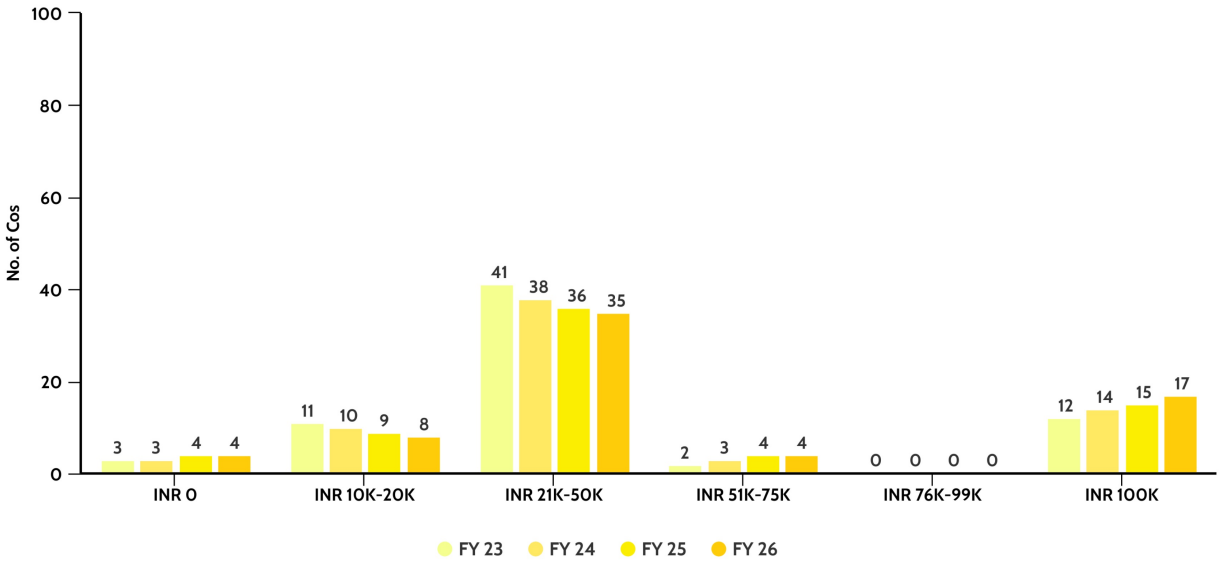
- *Only cos where amount per meeting has been given have been considered.*
- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*

Sitting Fees paid for NRC meetings



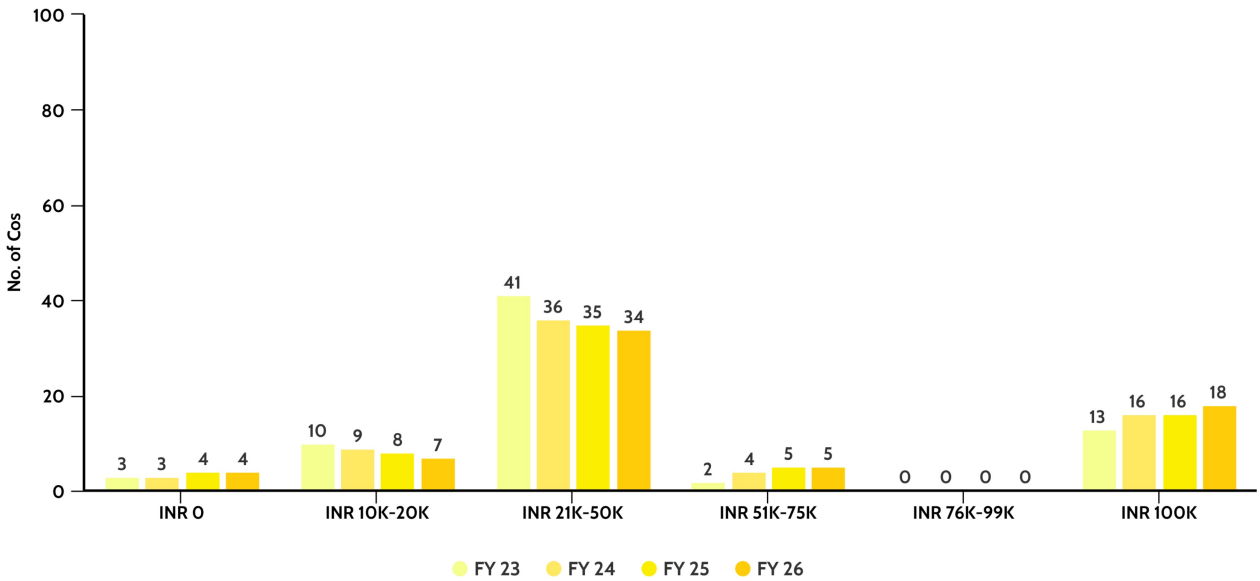
- *Only cos where amount per meeting has been given have been considered.*
- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*

Sitting Fees paid for SRC meetings



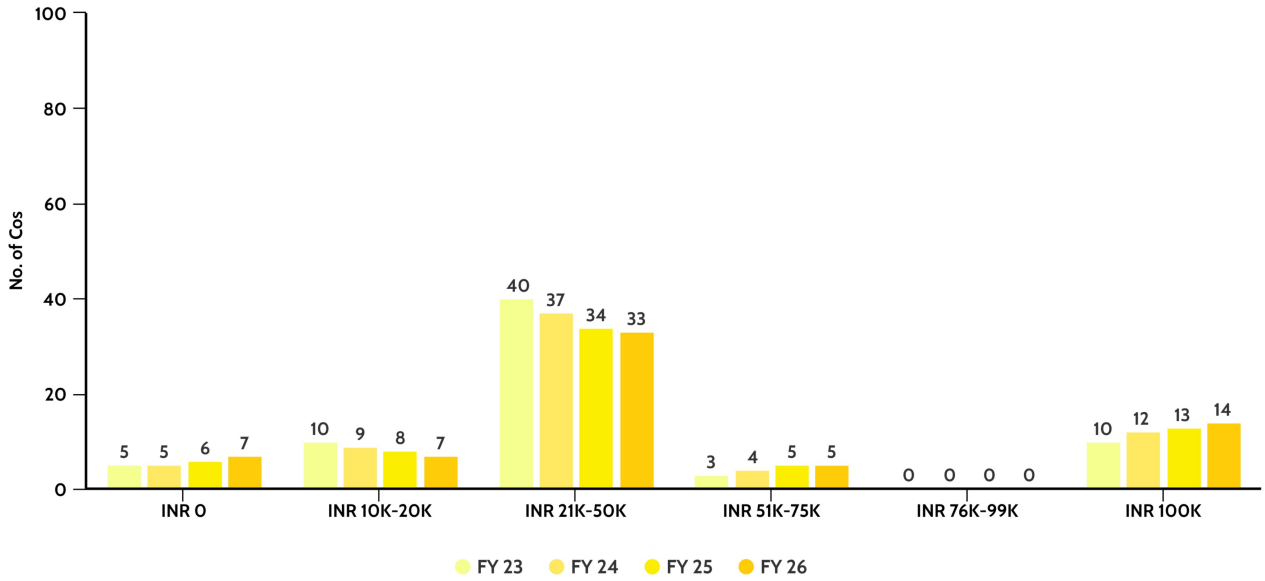
- *Only cos where amount per meeting has been given have been considered.*
- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*

Sitting Fees paid for RMC meetings



- *Only cos where amount per meeting has been given have been considered.*
- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*

Sitting Fees paid for CSRC meetings



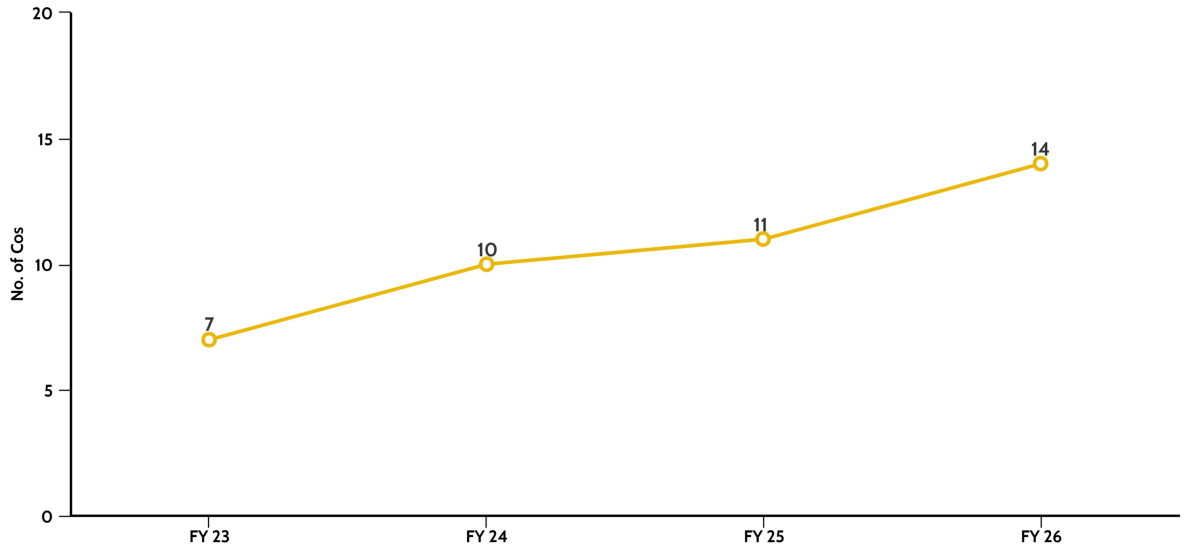
- *Only cos where amount per meeting has been given have been considered.*
- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*

- Following companies have paid the maximum permissible amount of INR 1 lakh per meeting for each of the 5 mandatory committees:
  - FY 23, 10 companies.
  - FY 24, 12 companies.
  - FY 25, 13 companies.
  - FY 26, 14 companies.
- In all 4 FYs, 9 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.

Cos that paid sitting fee for Separate meeting of IDs



- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*

- In previous 4 FYs, 7 companies are common.
- In FY 23, FY 24, FY 25 and FY 26, 1, 3, 4, and 7 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 5, 2015, Section 197 is not applicable on government companies.*

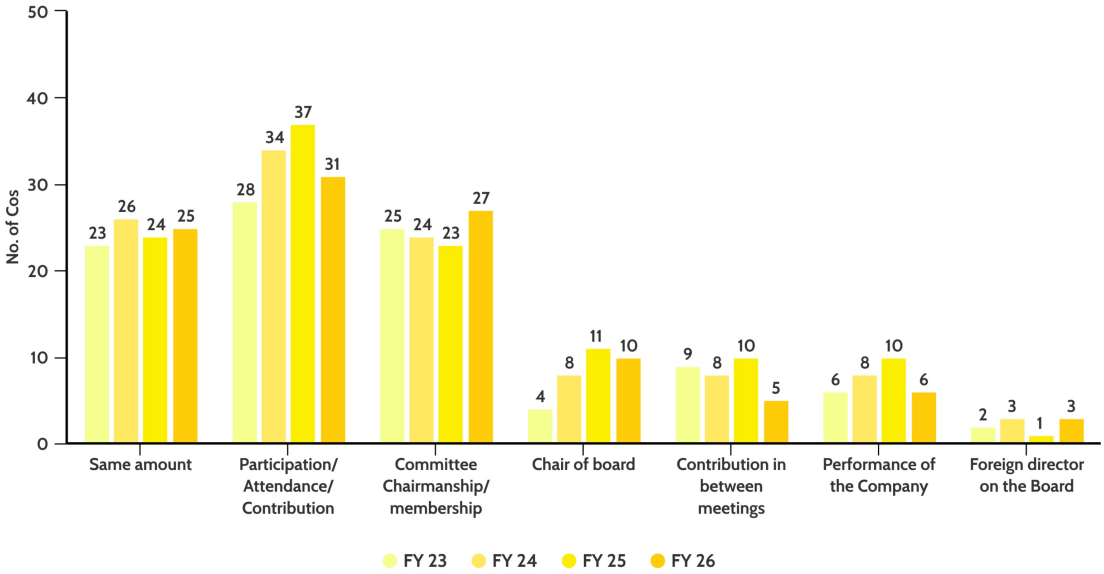
- *As per Section 178(4) of the Companies Act, 2013, the Nomination and Remuneration Committee shall, while formulating the policy under sub-section (3) ensure that—*
  (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality 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 Profit Linked Commission (PLC)

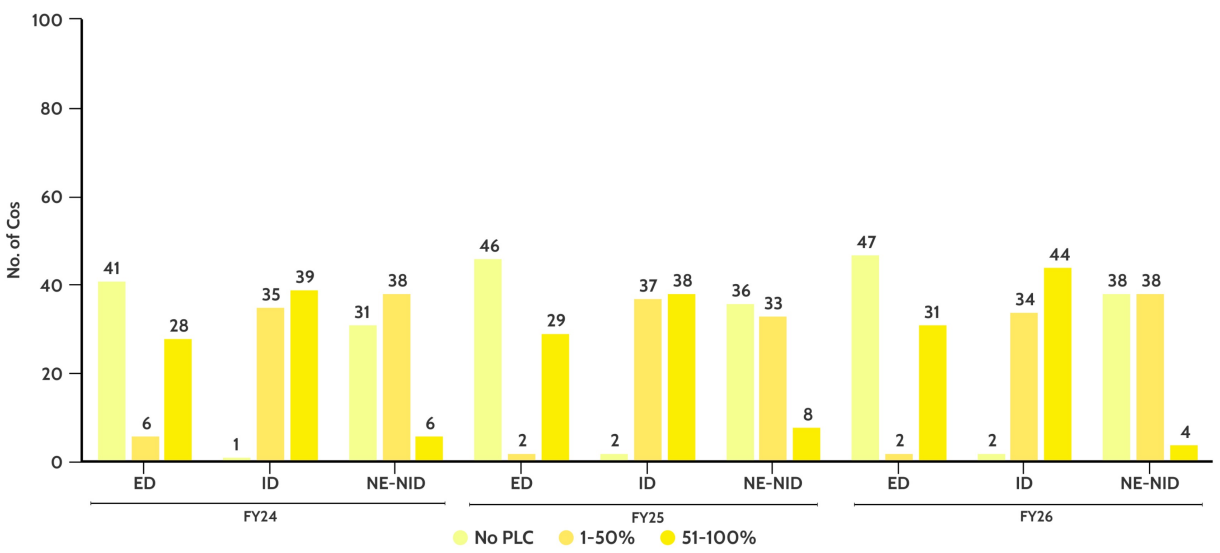


- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*
- *Some cos have not paid commission, but have given the parameters. They have been considered.*

- 19 cos have been excluded-
  - 5 PSBs, including SBI and 1 insurance company are governed by RBI/ IRDAI stipulations/ other Acts and so have been excluded.
  - 13 PSUs have not been considered.
- The following number of companies did not pay commission to NEDs
  - in FY 23, 4 companies.
  - in FY 24, 3 companies.
  - in FY 25, 2 companies.
  - in FY 26, 3 companies.
- The following number of companies did not give any parameters for payment of commission
  - in FY 23, 6 companies.
  - in FY 24, 8 companies.
  - in FY 25, 6 companies.
  - in FY 26, 13 companies.
- Some of the other factors that companies considered were appointment as Lead ID, benchmarking with peer companies and based on results of Board evaluation.

PERCENTAGE OF PROFIT LINKED COMMISSION PAID TO DIRECTORS

PLC paid to Directors as a percent of total PLC

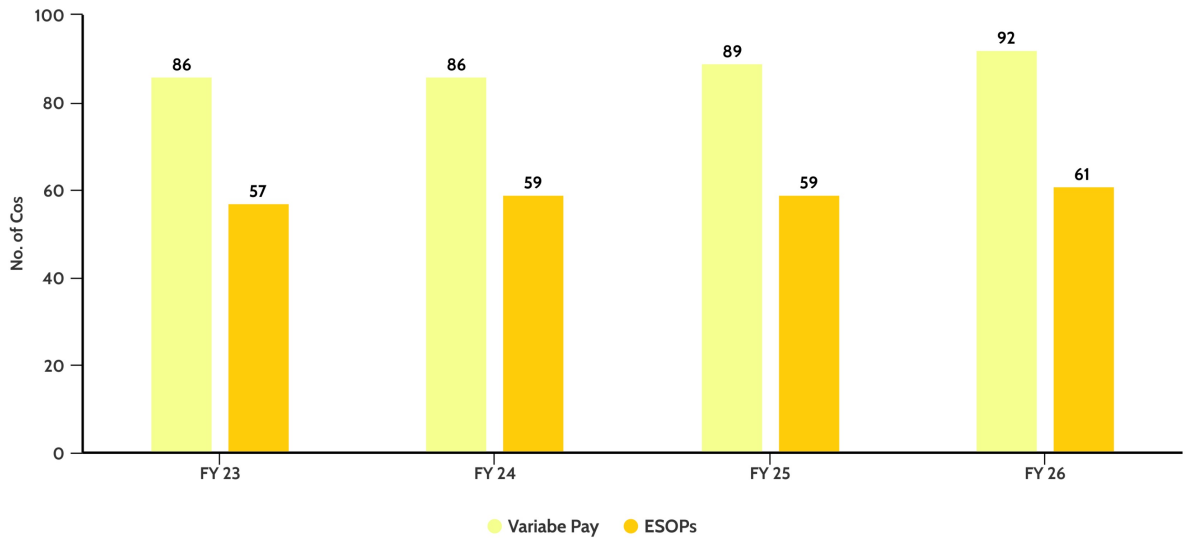


- *Cos that have paid commission have been considered.*
- *For FY 24, 4 cos and for FY 25, 3 cos were not listed.*

- PSUs and PSBs have not been considered.
- In FY 24,
  - 4 NIDs each in 4 companies were paid PLC amounting to 40-50% of the total PLC.
  - 1 NID in 1 company was paid more than 50% of the total PLC (50.52%).
  - 19 companies paid 100% PLC to IDs. 1 company paid 1% of the total PLC to IDs, and 99% to WTDs.
- In FY 25,
  - 4 NIDs each in 4 companies were paid PLC amounting to 40-50% of the total PLC.
  - 2 NIDs each in 2 companies was paid more than 50% of the total PLC (56.73% and 54.45%).
  - 19 companies paid 100% PLC to IDs. 1 company paid 0.53% of the total PLC to IDs, and 99.47% to WTDs.
- In FY 26,
  - 4 NIDs each in 4 companies were paid PLC amounting to 40-50% of the total PLC.
  - No NID was paid more than 50% of the total PLC.
  - 18 companies paid 100% PLC to IDs. 1 company paid 0.53% of the total PLC to IDs, and 99.47% to WTDs.
- In FY 23, FY 24, FY 25 and FY 26, 2, 3, 2 and 2 companies respectively, disclosed the amount of profit-linked commission that could have been paid (calculated at 1% of net profit). Out of these, 2 companies are common in previous 4 FYs.

ESOP AND/OR VARIABLE PAY TO EXECUTIVE DIRECTORS

Reference to ESOPs and to variable pay to WTDs in the Annual Report

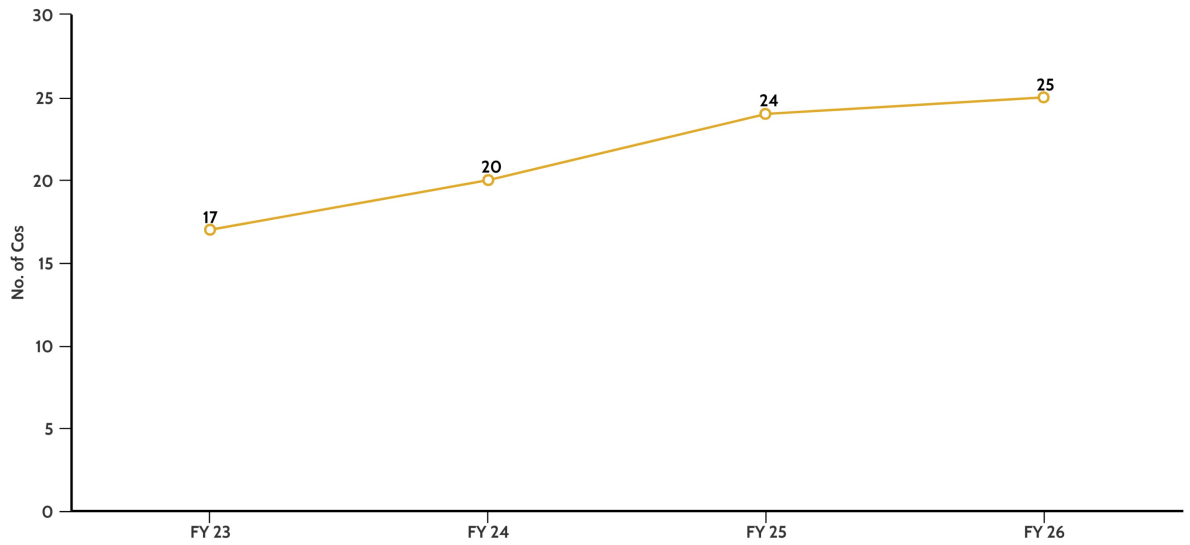


- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*

- In previous 4 FYs, 55 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, 49 companies continued to disclose details relating to both.

REFERENCE TO CLAWBACK OF SALARY

Reference to Clawback in the Annual Report



- *For FY 23, 5 cos; in FY 24, 4 cos; and in FY 25, 3 cos were not listed.*

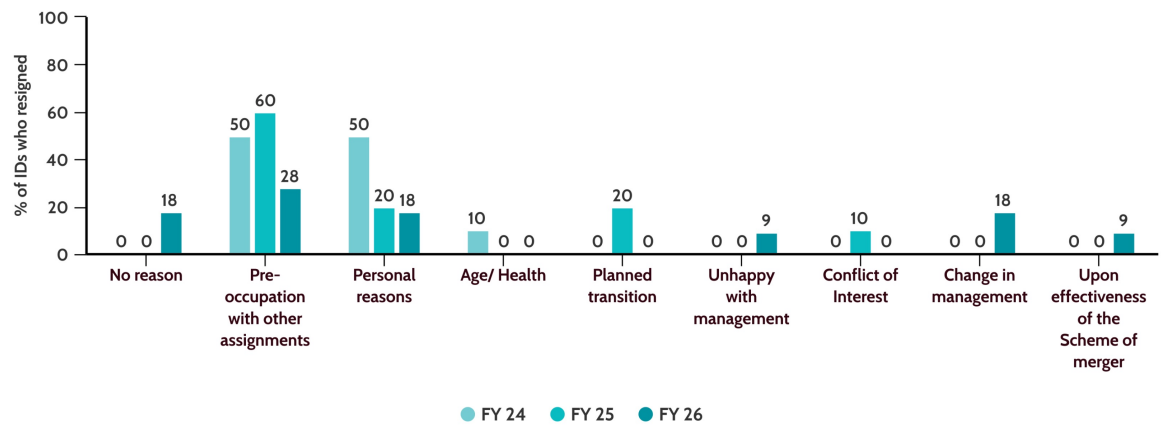
- In all 4 FYs, 15 companies continued to make such disclosures.

REASONS MENTIONED FOR RESIGNATION OF IDs

- *As per Schedule V(C)(2) 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.

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.

Top reasons for resignation of IDs

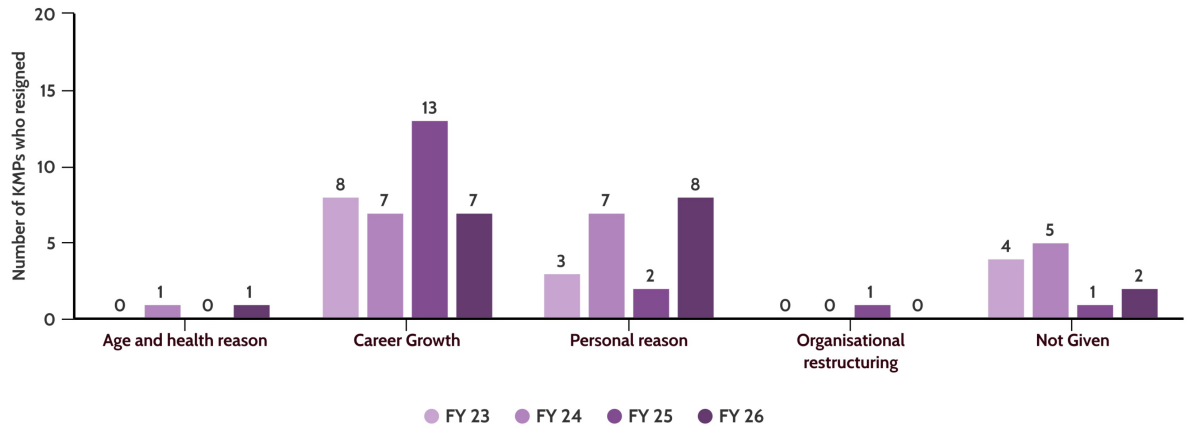


- *In case multiple reasons were given, all have been considered.*
- *In FY 24, 10 IDs, in FY 25, 10 IDs and in FY 26, 11 IDs resigned before the end of their term.*
- *For FY 24, 4 cos and for FY 25, 3 cos were not listed.*

REASONS MENTIONED FOR RESIGNATION OF KMPs

- *As per Regulation Part A (7C) of Schedule III of SEBI LODR Regulations, 2015, 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.*

Top reasons for resignation of KMPs



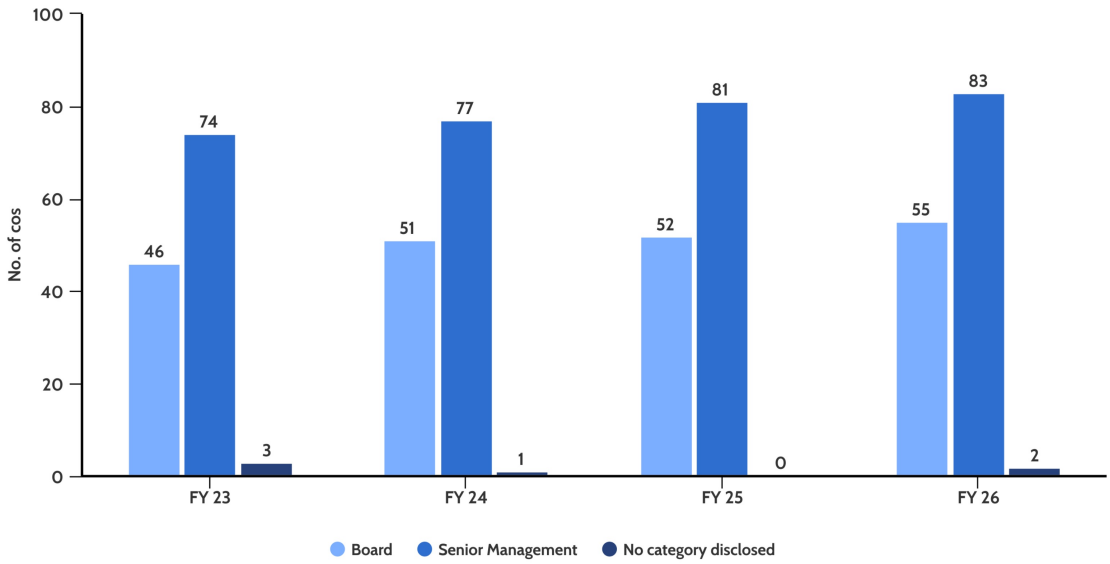
- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*

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.

Reference to Succession Planning in Annual Reports



- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 were not listed.*

- In previous 4 FYs, 39 companies, which have disclosed details on succession planning of Board as well as management, are common.
- 6 companies did not disclose any details relating to succession planning in the previous 4 FYs.

CORPORATE SOCIAL RESPONSIBILITY

UNSPENT AMOUNT OF CSR

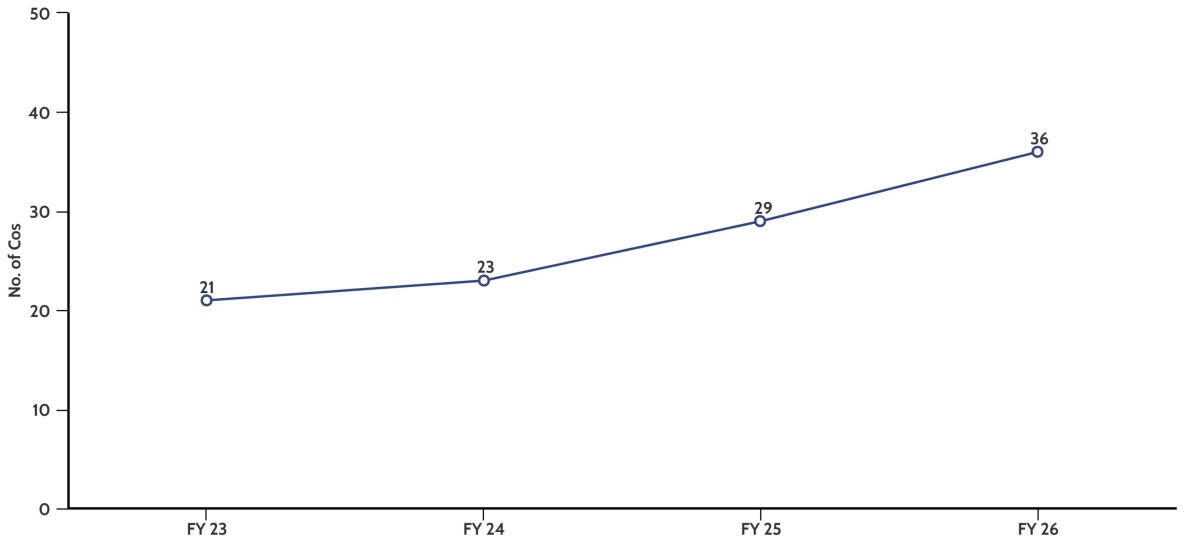
- *As per Section 135 (5) of the Companies Act, 2013, the Board of every company referred to in sub-section (1), shall ensure that the company spends, in every financial year, at least two percent of the average net profits of the company made during the three immediately preceding financial years or where the company has not completed the period of three financial years since its incorporation, during such immediately preceding financial years, 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.

- *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.*

- *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.*

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.

Cos with Unspent amount of CSR



- *Cos with inadequate profit, those which have not given details and those to which provisions of CSR are not applicable have not been considered.*
- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*

- In FY 23 and FY 24, there was a shortfall in the amount transferred to unspent account by 1 company each.
- In FY25, there were a shortfall in the amount transferred to unspent account by 2 companies.
- In FY 26, there were a shortfall in the amount transferred to unspent account by 3 companies.

IMPACT ASSESSMENT OF CSR ACTIVITIES

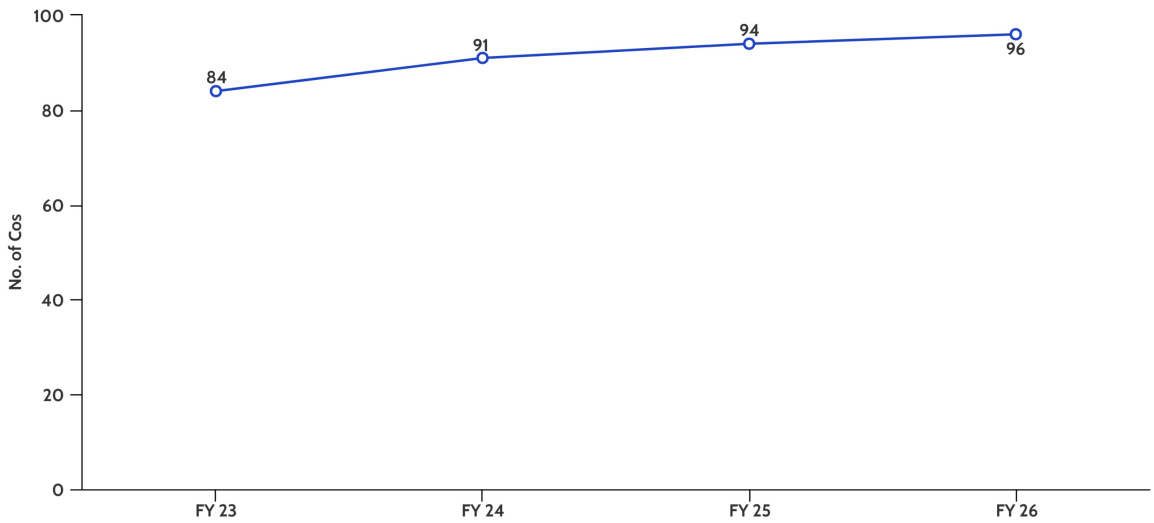
- *As per Rule 5(2) of the Companies (Corporate Social Responsibility Policy) Rules, 2014, the CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the following, namely:-*
  e) details of need and impact assessment, if any, 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.

- *As per Rule 8(3) of the Companies (Corporate Social Responsibility Policy) Rules, 2014,*
  (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 two percent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is higher.

- *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 seem to be an incomplete exercise. The focus should be on outcomes, rather than on outlays.

Cos conducting Impact assessment of CSR activities



- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*

CREATION/ ACQUISITION OF A CAPITAL ASSET

- *As per Rule 7(4) of the Companies (Corporate Social Responsibility Policy) Rules, 2014, the CSR amount may be spent by a company for creation or acquisition of a capital asset, which shall be held by -*
  (a) a company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number under sub-rule (2) of rule 4; or
  (b) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
  (c) a public authority:

Where CSR funds are used for creation or acquisition of a capital asset, the Annual Report should provide sufficient disclosure on the nature and purpose of the asset and its ownership. This would enable stakeholders to assess whether the asset created from CSR funds is being used for the intended beneficiaries and purpose.

- In FY 23, 19 companies and in FY 26, 27 companies utilised CSR funds for creation or acquisition of a capital asset. Out of these, 16 companies are common.

DISCLOSURE RELATING TO POSH

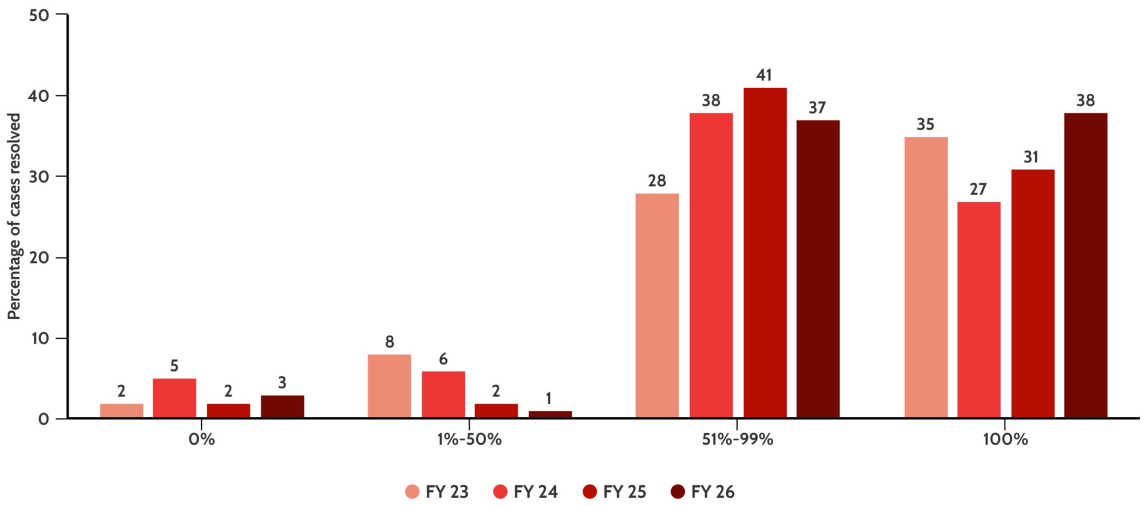
- *As per Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the employer shall include in its report the number of cases filed, if any, and their disposal under this Act in the annual report of his organization or where no such report is required 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 along with the following details:-*
  (a) number of complaints of sexual harassment received in the year;
  (b) number of complaints disposed off during the year; and
  (c) number of cases pending for more then ninety days.

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

Percentage of POSH cases resolved



- *Cos which reported zero complaints have been excluded.*
- *In FY 25, 1 co did not provide details relating to POSH cases.*
- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*

- From the reporting, it is not always 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 23, FY 24, FY 25 and FY 26, 22, 20, 20 and 21 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. These were 141, 182, 195 and 205 cases in FY 23, FY 24, FY 25 and FY 26 respectively. The resolution relating to these cases were 88%, 89%, 83% and 90% per year respectively.

COMPLAINTS UPHELD

The current POSH disclosures show the number of complaints received, disposed of and pending, but do not indicate the outcome of complaints or the action taken where allegations are upheld. Companies should disclose the number of complaints upheld and the action taken, without compromising confidentiality, so that stakeholders can assess how effectively substantiated complaints are addressed.

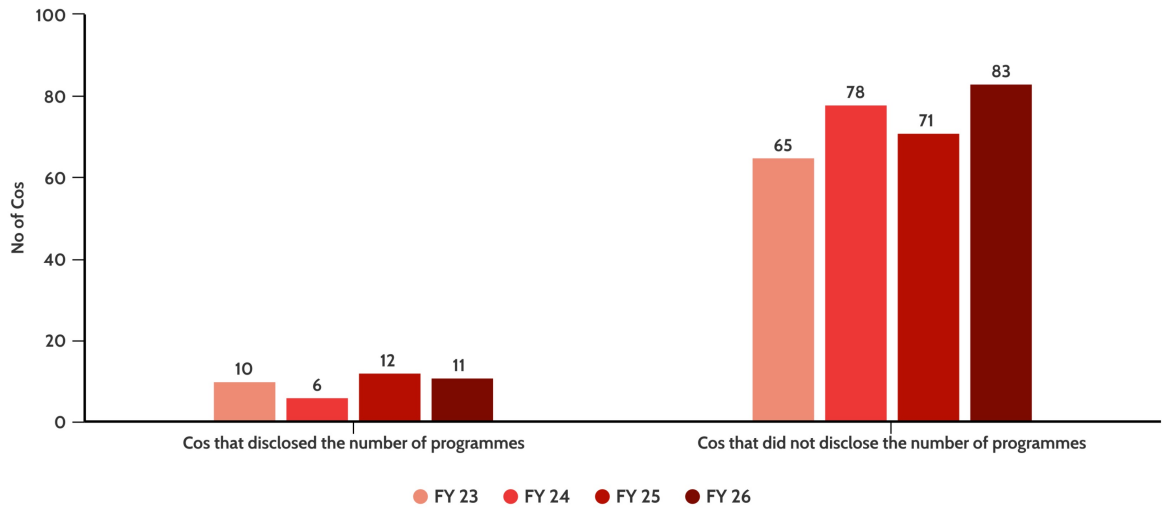
- The following number of companies have disclosed the number of complaints upheld
  - In FY 23, 8.
  - In FY 24, 6.
  - In FY 25, 6.
  - In FY 26, 6.

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.

Cos that disclosed details of programmes organised for sensitising employees regarding POSH



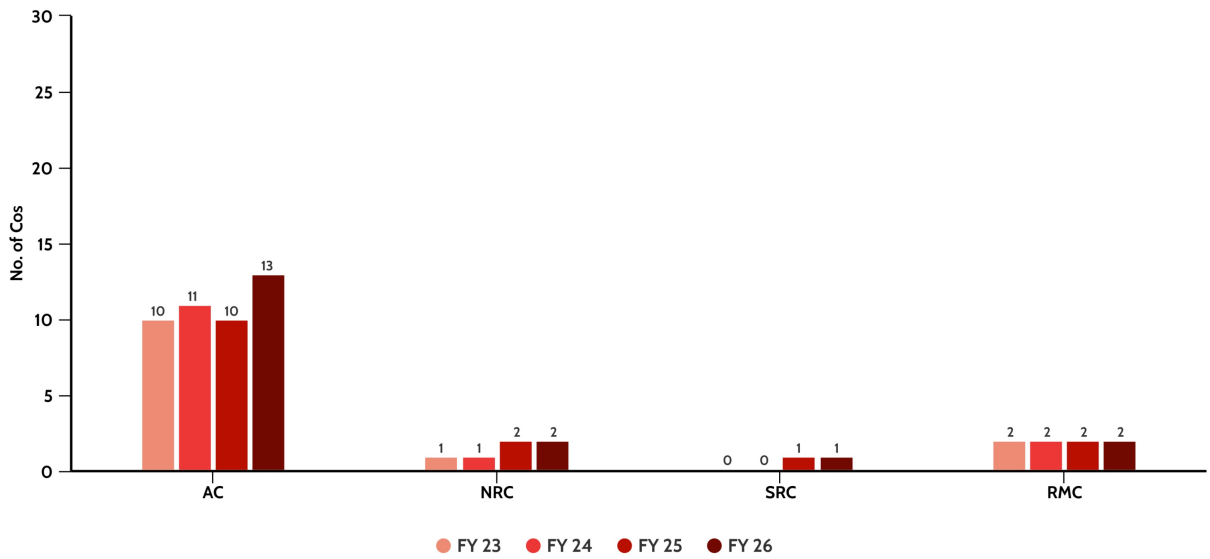
- *Cos that disclosed such programmes have been considered.*
- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*

- Following were the highest number of programmes organised by a company
  - In FY 23, 600.
  - In FY 24, 300.
  - In FY 25, 370.
  - In FY 26, 711.

BOARD LEVEL COMMITTEE HANDLING POSH

The constitution of an Internal Committee under the POSH framework is necessary, but does not by itself ensure effective oversight of the company's approach to preventing sexual harassment. A Board-level Committee should also oversee the implementation and effectiveness of the framework, including employee awareness and the functioning of the Internal Committee. This would ensure that POSH receives attention at the Board level and is treated as a governance responsibility, rather than merely an HR or compliance matter.

Board level committee handling POSH



- *All committees that handled POSH have been considered.*
- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*

- In previous 4 FYs, 79 companies continued to not have a Board-level committee handling POSH.

AUDITORS

STATUTORY AUDITOR

SINGLE OR JOINT

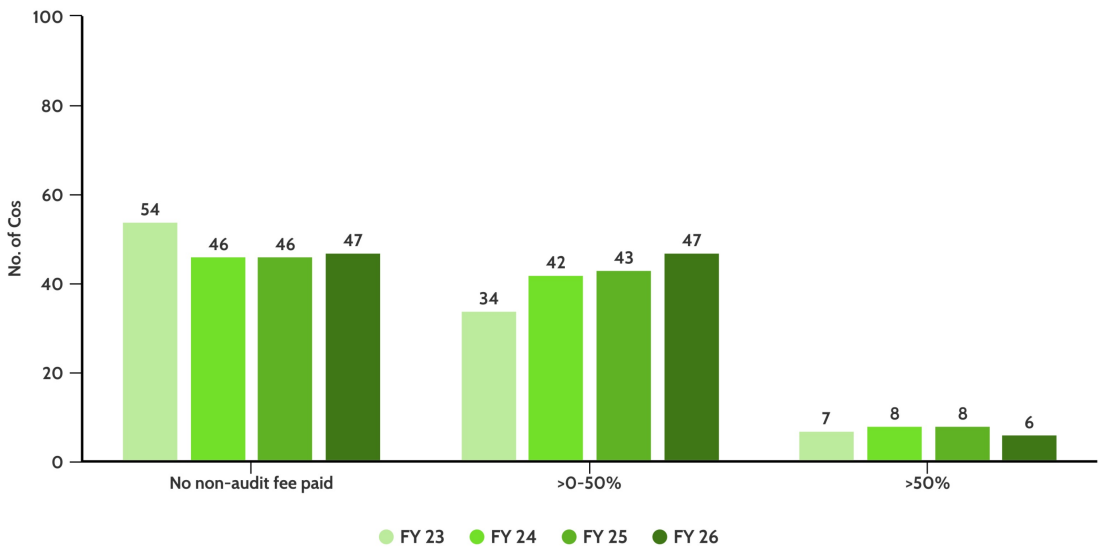
Joint audit, which has been in vogue for public sector financial institutions, and has been prescribed by RBI for NBFCs, ensures continuity with change. Having the same set of auditors, over a long period, will lead to questions being blunted over the course of time, and the creation of an attitude of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

- 26 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.

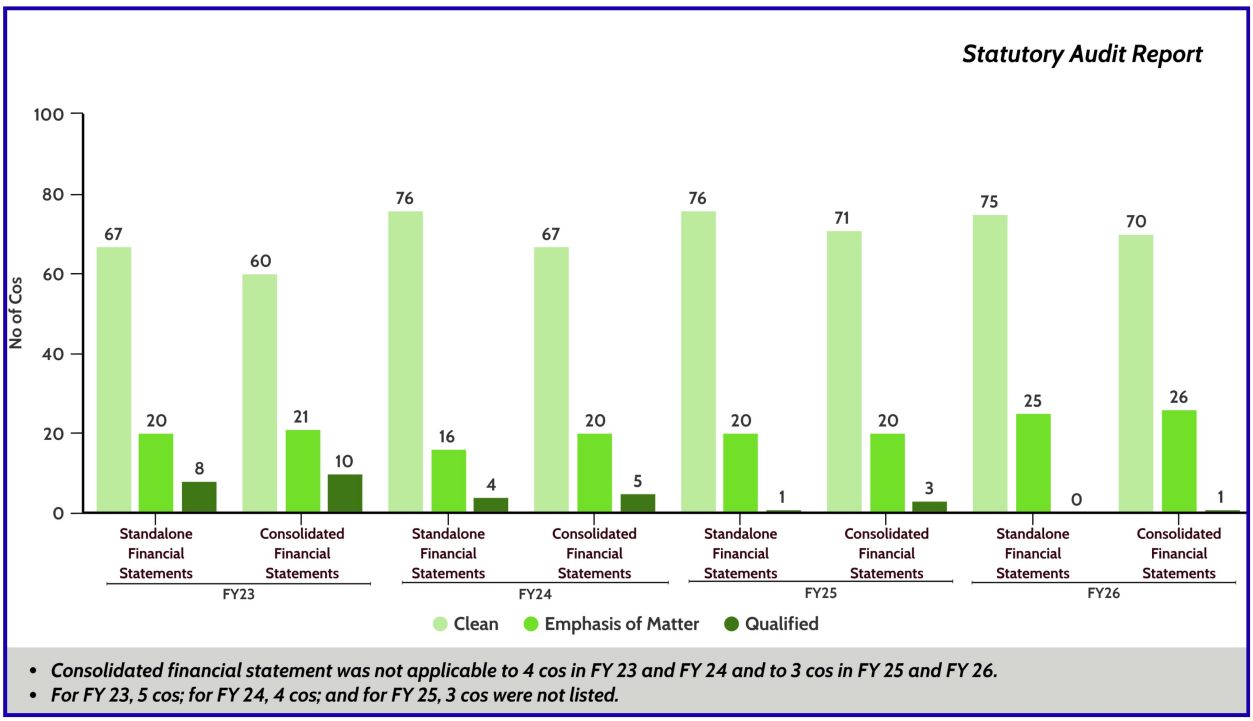
Percentage of non-audit fees to audit fees paid to Statutory Auditors



- *For FY 22, 5 cos; for FY 23, 4 cos; and for FY 24, 3 cos were not listed.*

- Highest ratio of non-audit fee paid to audit fee paid in FY 23 was 96.87%, in FY 24 was 262.12%, in FY 25 was 136.36% and in FY 26 was 102.70%.
- In previous 4 FYs, 26 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

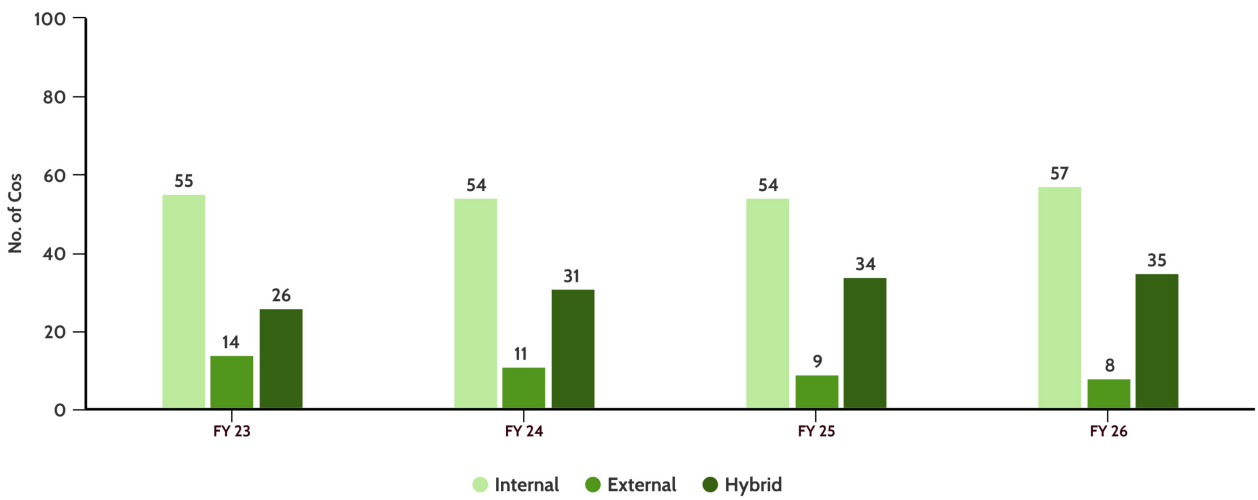


- *Consolidated financial statement was not applicable to 4 cos in FY 23 and FY 24 and to 3 cos in FY 25 and FY 26.*
- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*

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.

Internal Audit function - Internal/ External/ Hybrid



- *For FY 23, 5 cos; for FY 24, 4 cos and for FY 25, 3 cos were not listed.*

- 46 companies continued to have an internal-Internal Auditor in previous 4 FYs.
- 7 companies continued to outsource the internal audit function in previous 4 FYs.
- 21 companies continued to have a hybrid approach to 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

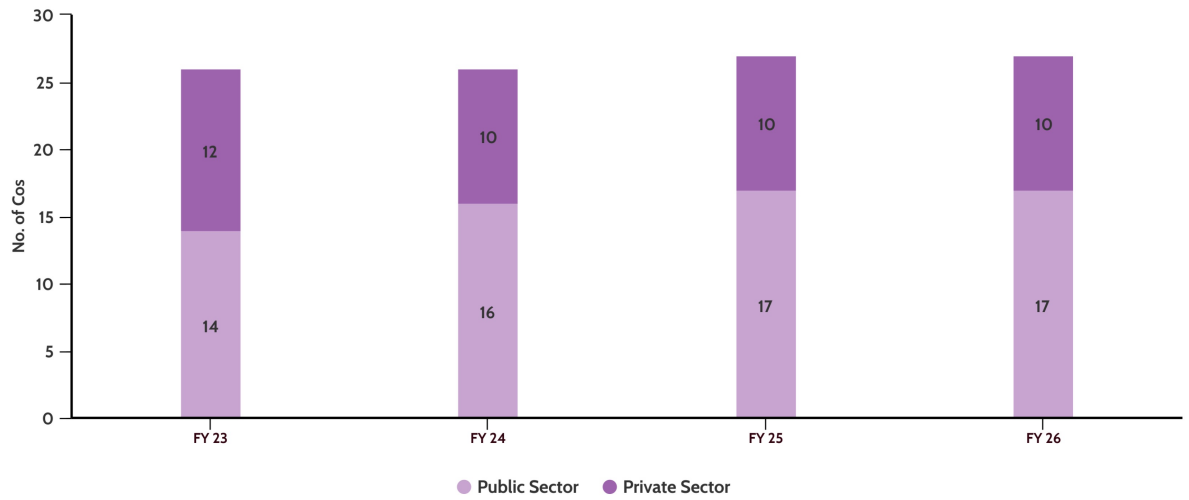
- In previous 11 FYs,
  - 26 companies have had the same audit firm and/or the same signing partner.
  - 10 companies have had the same audit firm, but the signing partner changed.
  - In FY 26, 33 companies changed their audit firm.

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)(a) of SEBI LODR Regulations, 2015, every listed entity and its material unlisted subsidiaries incorporated in India shall undertake Secretarial Audit by a Secretarial Auditor who shall be a Peer Reviewed Company Secretary and shall annex a Secretarial Audit Report in such form as specified, with the annual report of the listed entity.*

Cos with not clean Secretarial Audit Report (as per Board Report)



- *14 public sector cos and 2 private sector cos are common in all 4 FYs, which had not clean Secretarial Audit Report as per Board Report.*
- *In all 4 FYs, 1 co did not provide details relating to Secretarial Audit Report.*
- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*

- In previous 4 FYs, 24 companies, which do not have a clean report, are common. Of these, 15 are PSUs.
- In FY 23, out of 68 clean reports, 11 reports are not clean as per us as they have some observations from the auditor.
- In FY 24, out of 69 clean reports, 13 reports are not clean as per us as they have some observations from the auditor.
- In FY 25, out of 69 clean reports, 31 reports are not clean as per us as they have some observations from the auditor.
- In FY 26, out of 72 clean reports, 40 reports are not clean as per us as they have some observations from the auditor.

SECRETARIAL AUDIT REPORT OF MATERIAL UNLISTED SUBSIDIARIES

- *As per Regulation 24A(1)(a) of SEBI LODR Regulations, 2015, every listed entity and its material unlisted subsidiaries incorporated in India shall undertake Secretarial Audit by a Secretarial Auditor who shall be a Peer Reviewed Company Secretary and shall annex a Secretarial Audit Report in such form as specified, with the annual report of the listed entity.*

- In FY 23, 24 companies had material unlisted material subsidiaries. Of these,
  - in 15 companies, reports of all subsidiaries were clean.
  - 5 companies had reports of all subsidiaries with qualifications/ observations.
- In FY 24, 27 companies had material unlisted material subsidiaries. Of these,
  - in 12 companies, reports of all subsidiaries were clean.
  - 9 companies had reports of all subsidiaries with qualifications/ observations.

- In FY 25, 24 companies had material unlisted material subsidiaries. Of these,
  - in 13 companies, reports of all subsidiaries were clean.
  - 8 companies had reports of all subsidiaries with qualifications/ observations.
- In FY 26, 23 companies had material unlisted material subsidiaries. Of these,
  - in 12 companies, reports of all subsidiaries were clean.
  - 7 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.*

- *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.*

The Secretarial Compliance Report gives an overall picture of the company's compliance record during the year. It brings together the major compliance matters and also draws attention to matters that remain pending. This makes the report useful for understanding not only whether compliances have been made, but also where issues remain unresolved.

Secretarial Compliance Report



- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*

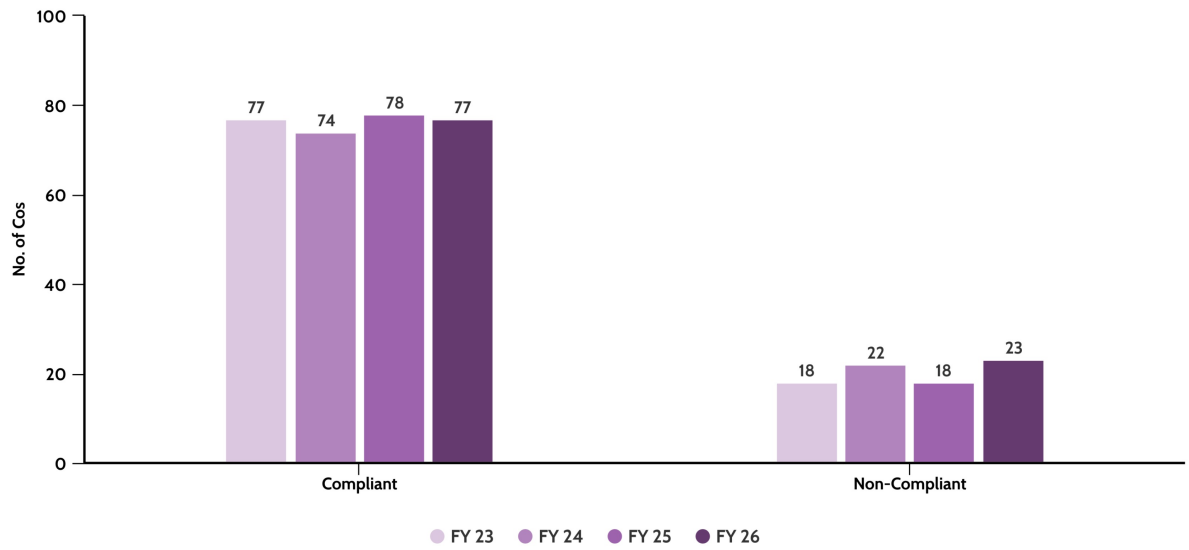
- 20 companies continued to be non-compliant in previous 4 FYs. Of which, 12 were PSUs and 3 were PSBs.

COMPLIANCE CERTIFICATE FROM AUDITORS/ PRACTICING COMPANY SECRETARIES REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

- *As per Schedule V (E) of SEBI LODR Regulations, 2015, compliance certificate from either the auditors or practicing company secretaries regarding compliance of conditions of corporate governance shall be annexed with the directors' report.*

The Compliance Certificate on Corporate Governance should clearly state whether the prescribed conditions have been complied with, rather than using broad expressions such as "generally complied with". A clear statement would provide shareholders with an unambiguous view of the company's compliance with the applicable corporate governance requirements.

Compliance certificate from Auditors/ Practicing Company Secretaries regarding compliance of conditions of Corporate Governance



- *In FY 25, 1 co did not disclose the compliance certificate.*
- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*

- 14 companies continued to be non-compliant in previous 4 FYs.

COMPLIANCE MANAGEMENT SYSTEM

Where a company has implemented a Compliance Management System, the Annual Report should provide details of the system and its key features. This would give stakeholders greater visibility into the framework adopted by the company to monitor and manage compliance.

- In FY 23, FY 24, FY 25 and FY 26, 41, 45, 45 and 51 companies respectively had disclosed that they had a compliance management system in place.
- In all 4 FYs, 34 companies are common.

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.*

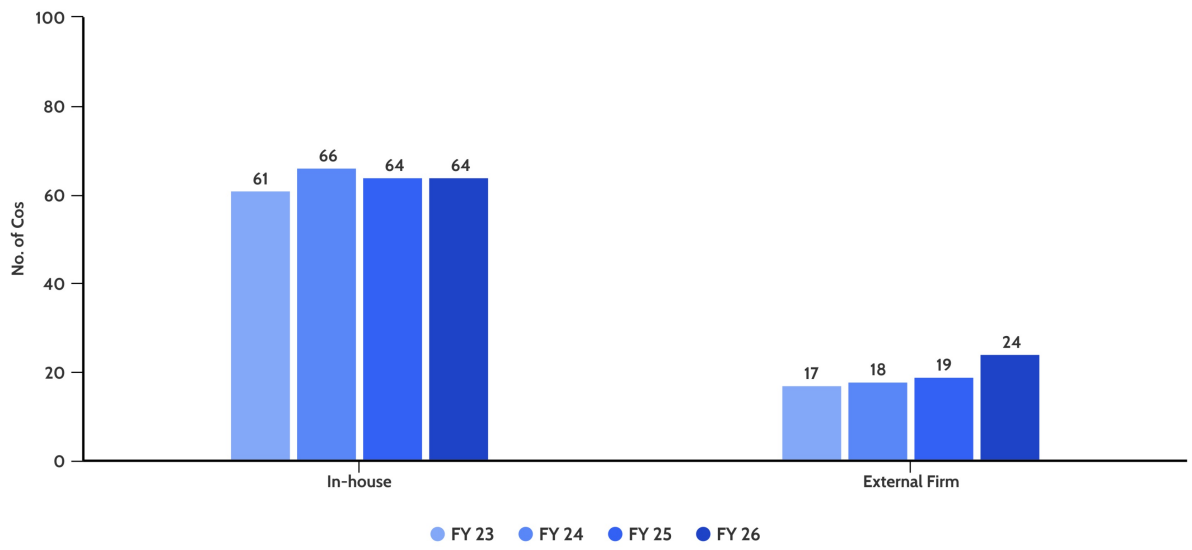
- *As per Regulation 17(10) of SEBI LODR Regulations, 2015, the evaluation of independent directors shall be done by the entire board of directors which shall include -*
  (a) performance of the directors; and
  (b) fulfillment of the independence criteria as specified in these regulations and their independent from the management:
  Provided that in the above evaluation, the directors who are subject to evaluation shall not participate.

- *As per Regulation 25(4) of SEBI LODR Regulations, 2015, the independent directors in the meeting referred in sub-regulation (3) shall, inter alia-*
  (a) review the performance of non-independent directors and the board of directors as a whole;
  (b) review the performance of the chairperson of the listed entity, taking into account the views of executive directors and non-executive directors;
  (c) assess the quality, quantity and timeliness of flow of information between the management of the listed entity and the board of directors that is necessary for the board of directors to effectively and reasonably perform their duties.

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.

Mode of Board Evaluation

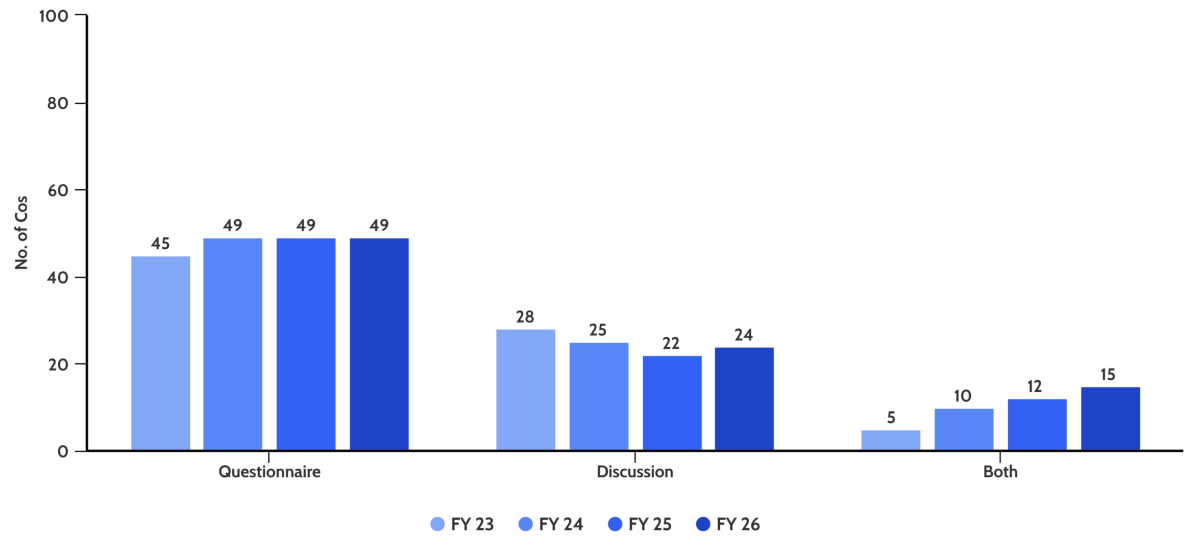


- *Cos that undertook Board Evaluation have been considered.*
- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*

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.

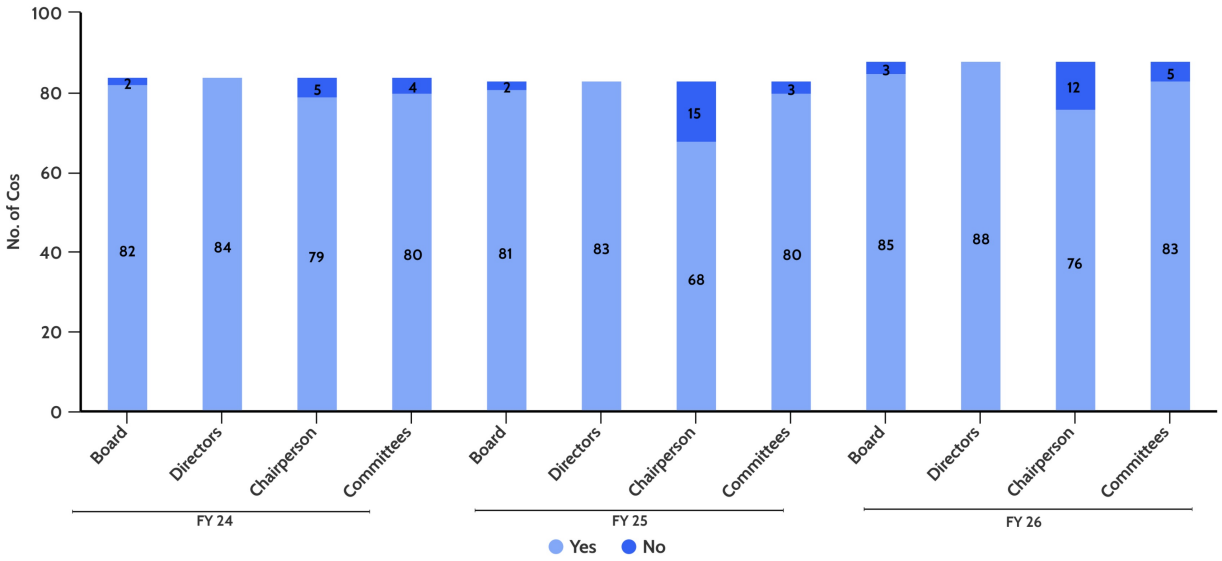
Methodology used for Board Evaluation



- *Cos that undertook Board Evaluation have been considered.*
- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*

CATEGORIES EVALUATED

Categories covered by Board Evaluation

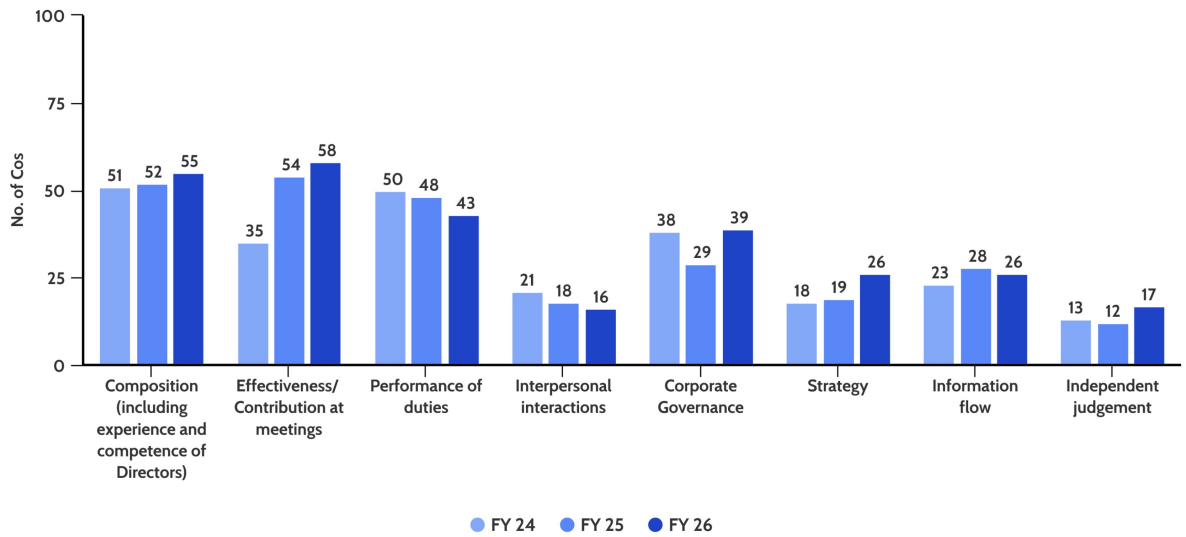


- *Cos that undertook Board Evaluation have been considered.*
- *For FY 23, 4 cos and for FY 24, 3 cos were not listed.*

TOP PARAMETERS FOR EACH CATEGORY

BOARD

Top parameters for evaluation of Board

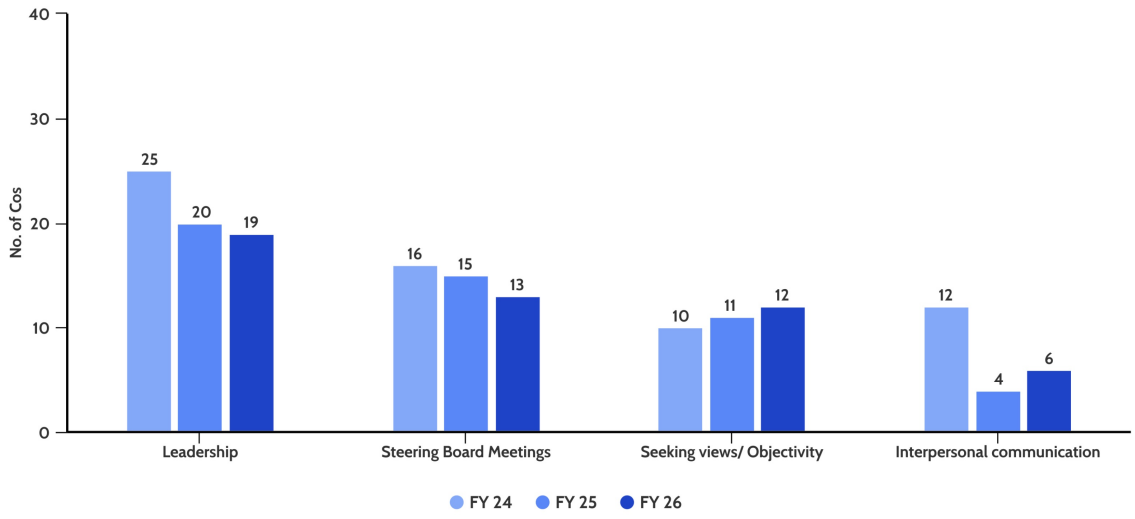


- *Same terminology as provided by cos have been used.*
- *Cos which have provided the parameters have been considered.*
- *For FY 24, 4 cos and for FY 25, 3 cos were not listed.*

- In FY 24, FY 25 and FY 26, 2, 3 and 2 companies have mentioned 'handling dissent' as one of the parameters.

CHAIR

Top parameters for evaluation of Chairperson

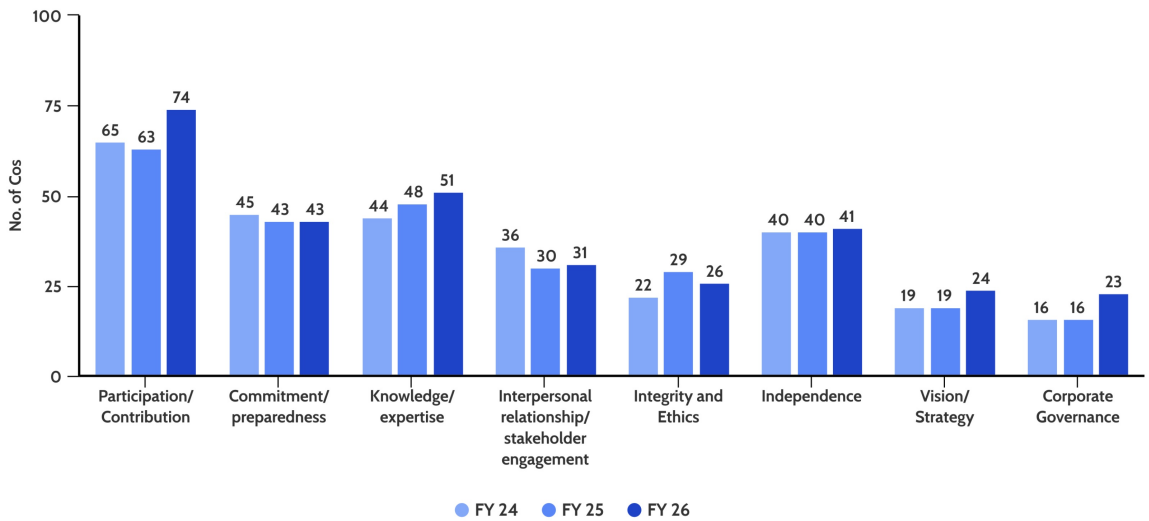


- *Same terminology as provided by cos have been used.*
- *Cos which have provided the parameters have been considered.*
- *For FY 24, 4 cos and for FY 25, 3 cos were not listed.*

- In FY 24, FY 25 and FY 26, 6, 6 and 4 companies have mentioned 'handling dissent' as one of the parameters.

DIRECTORS

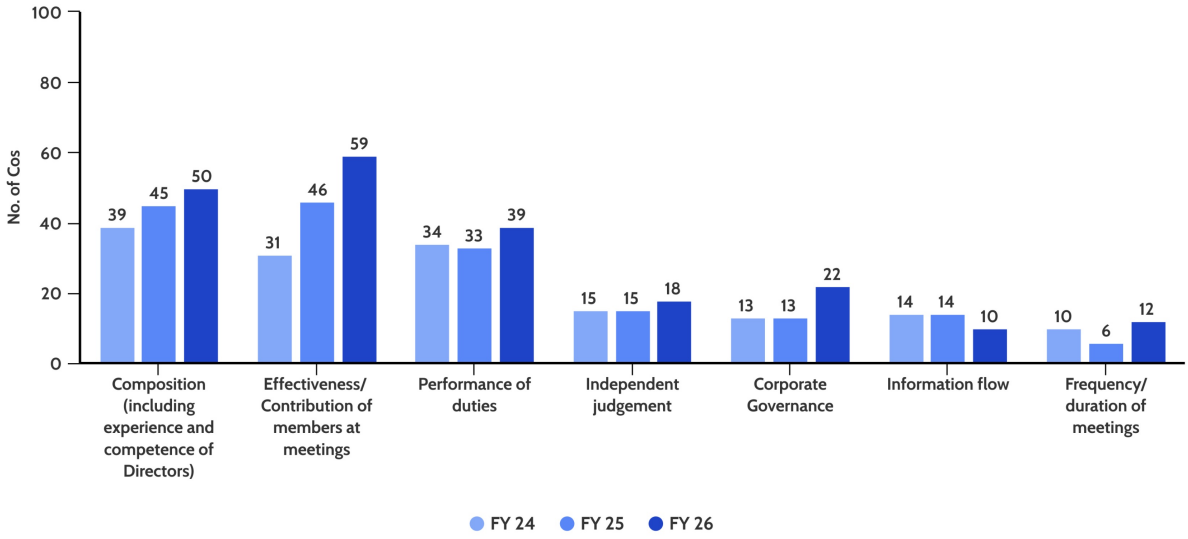
Top parameters for evaluation of Directors



- *Same terminology as provided by cos have been used.*
- *Cos which have provided the parameters have been considered.*
- *For FY 24, 4 cos and for FY 25, 3 cos were not listed.*

COMMITTEES

Top parameters for evaluation of Committees

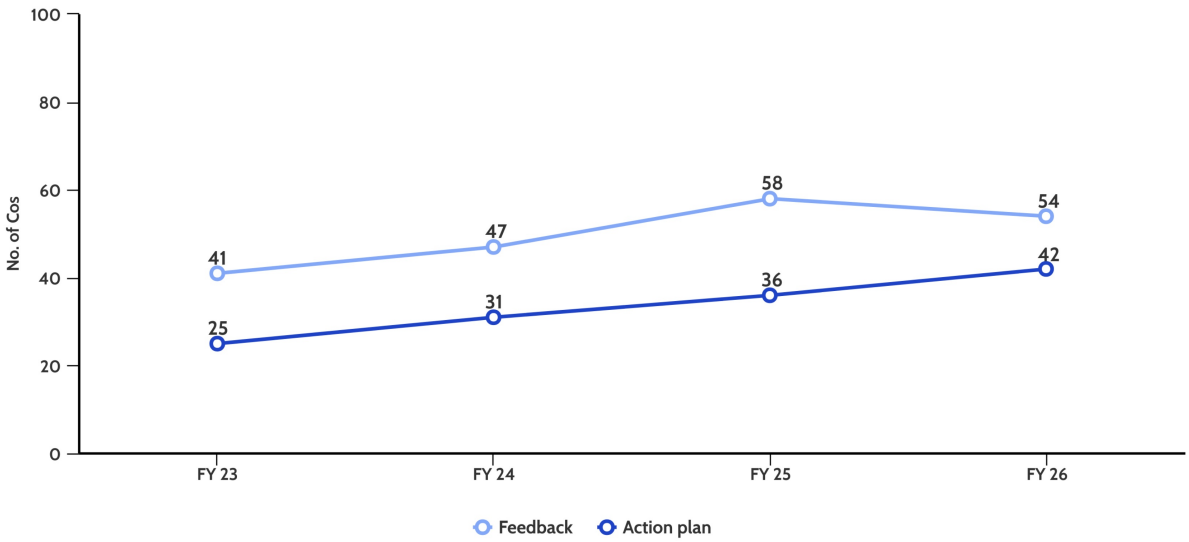


- *Same terminology as provided by cos have been used.*
- *Cos which have provided the parameters have been considered.*
- *For FY 24, 4 cos and for FY 25, 3 cos were not listed.*

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.

Feedback/ Action plan based on Board Evaluation



- *Cos that undertook Board Evaluation have been considered.*
- *FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*

- In 4 FYs, 16 companies have disclosed that they provided feedback and drew up an action plan.

REFERENCE TO FLOW OF INFORMATION

- In FY 23, FY 24, FY 25 and FY 26, 61, 61, 65 and 67 companies respectively have made reference to flow of information.

ROLE OF NRC IN BOARD EVALUATION

- In FY 23, FY 24, FY 25 and FY 26, 77, 75, 80 and 84 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 Part E of Schedule II,*

A. The Board

(i) 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.

(ii) The listed entities ranked from 1001 to 2000 as per the list prepared by recognized stock exchanges in terms of sub-regulation (2) of regulation 3 shall endeavour to have at least one woman independent director on its board of directors.

B. Shareholder Rights

A half-yearly declaration of financial performance including summary of the significant events in the 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.

E. Reporting of internal auditor

The internal auditor may report directly to the audit committee.

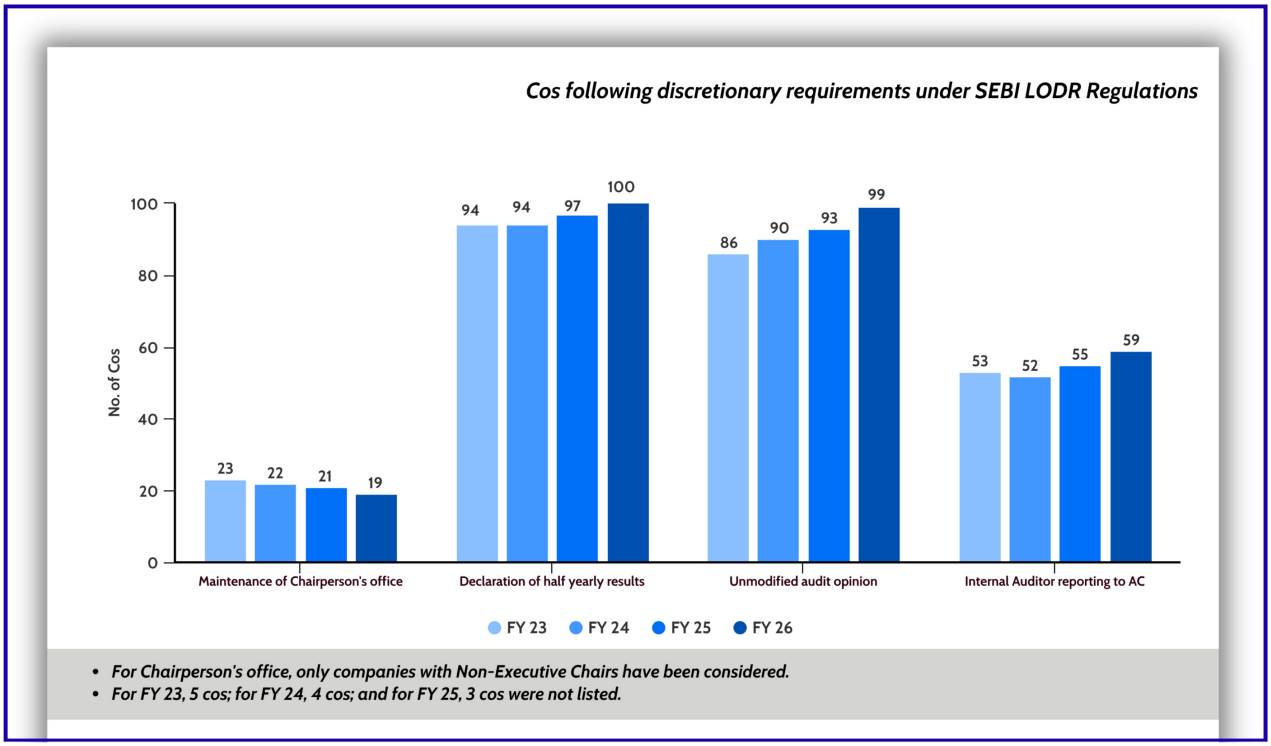
F. Independent Directors

The independent directors of the top 2000 listed entities as per market capitalisation shall endeavour to hold at least two meetings in a financial year, without the presence of non-independent directors and members of the management, and all the independent directors shall endeavour to be present at such meetings.

G. Risk Management

Listed entities ranked from 1001 to 2000 in the list prepared by recognized stock exchanges in terms of sub-regulation (2) of regulation 3 may constitute a risk management committee with the composition, roles, and responsibilities specified in regulation 21.

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 above discretionary practices
  - in FY 23 and FY 24 are 15 each.
  - in FY 25 are 9.
  - in FY 26 are 7.
  - Of these, in all 4 FYs, 5 companies are common.
- There were 2 new discretionary requirements added in FY 25.
  - Companies that separated the post of Chairperson and MD
    - in FY 25 are 61.
    - in FY 26 are 63.
  - Companies that hold at least 2 separate meetings of IDs
    - in FY 25 are 31.
    - in FY 26 are 39.
- 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.
- IA reporting to AC – In all 4 FYs, 48 companies continued to follow this practice, while 35 did not do so in any of the years.

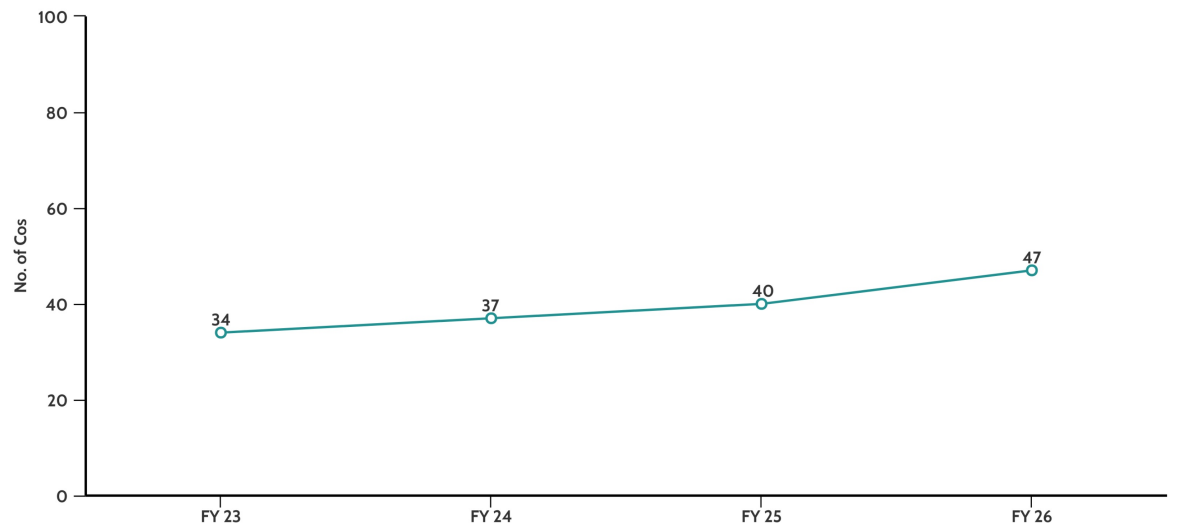
D&O LIABILITY INSURANCE POLICY

- *As per Schedule IV of the Companies Act, 2013,*
  (4) The appointment of independent directors shall be formalised 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, shall undertake Directors and Officers insurance ('D and O insurance') for all their independent directors of such quantum and for such risks as may be determined by its board of directors.*

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

Reference to D&O Liability Insurance Policy in Annual Report



- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*

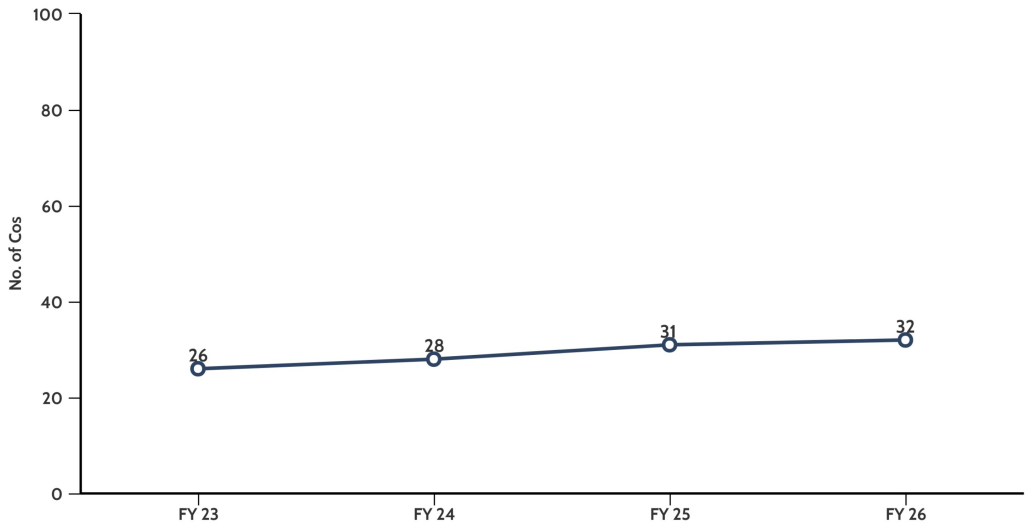
- 33 companies did not disclose the details of a D&O Liability Insurance Policy in their Annual Reports in the previous 4 FYs.

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.

Reference to Annual Calendar in Annual Reports



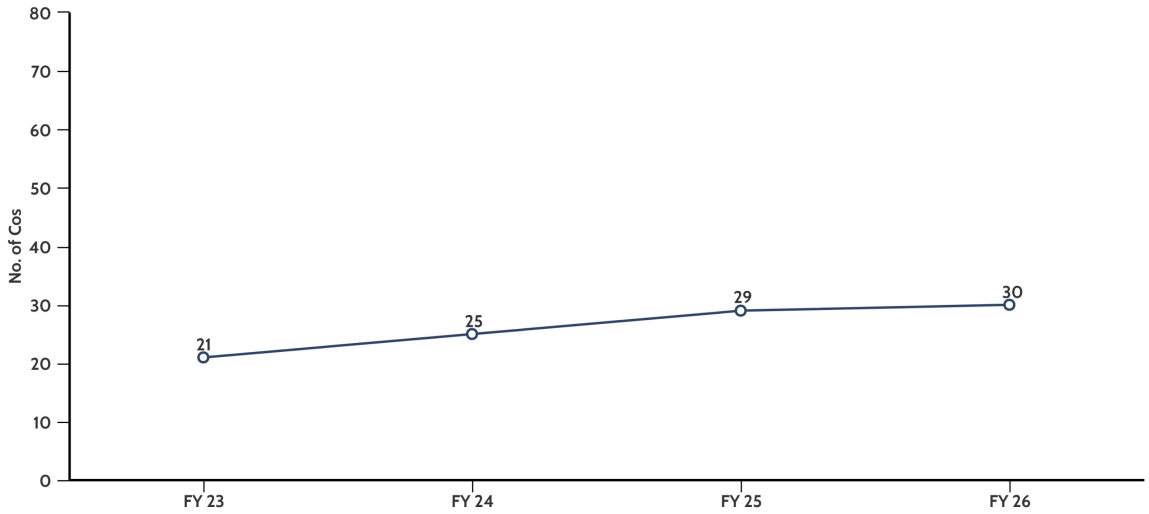
- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*

- In the previous 4 FYs, 25 companies are common.

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.

Reference to Board Portal in Annual Reports



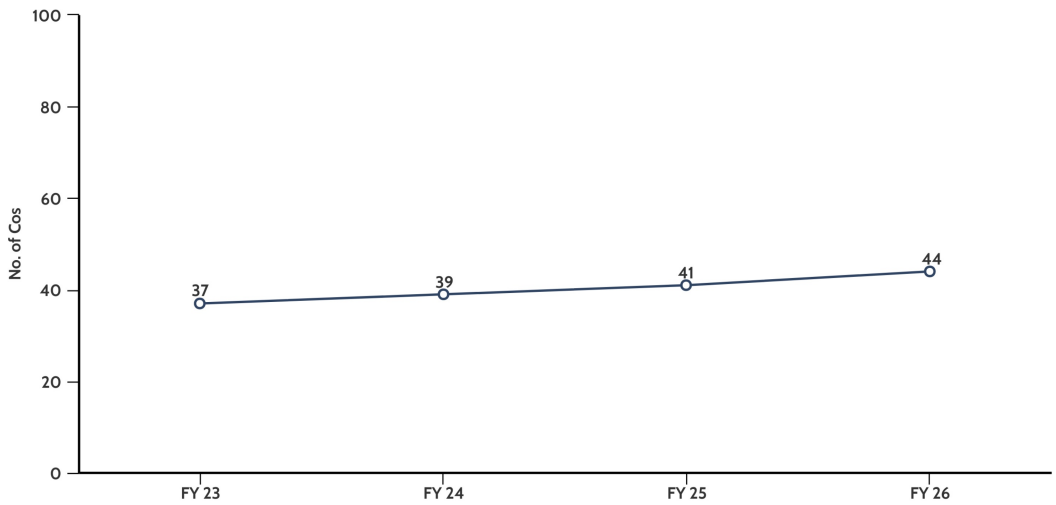
- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*

- In the previous 4 FYs, 18 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.

Reference to Action Taken Report in Annual Reports

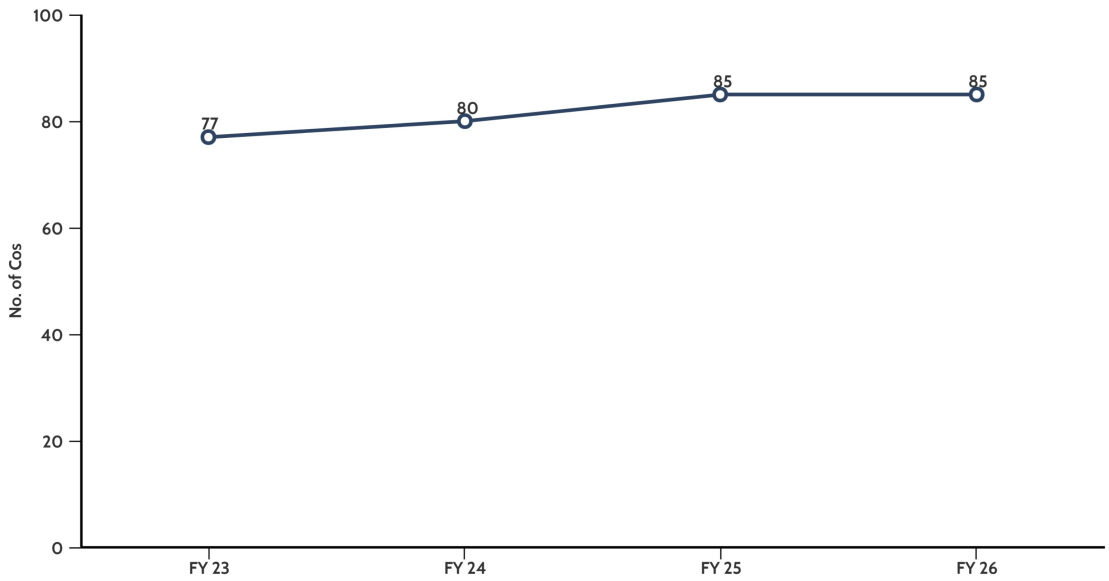


- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*

- In the previous 4 FYs, 33 companies are common.

EMPLOYEE SATISFACTION SURVEY

Reference to Employee Satisfaction Surveys in Annual Report



- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*

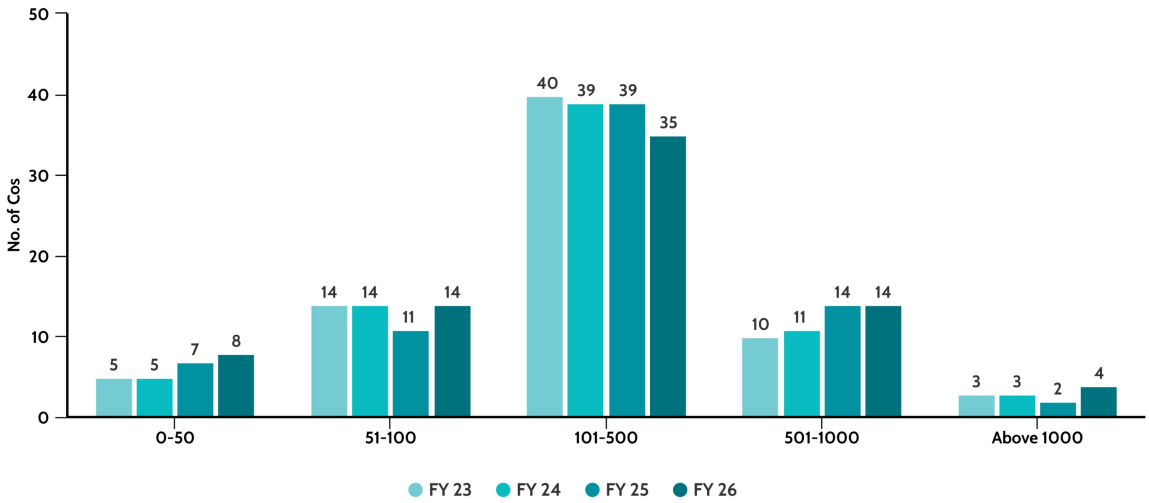
- In 4 FYs, 71 companies are common.

MEDIAN COMPENSATION TO EMPLOYEES

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

The compensation of senior executives should be considered alongside the compensation levels and changes in compensation of the wider workforce. The median employee compensation provides a useful reference point in this regard. A significant increase in executive compensation, particularly when employee compensation has remained largely unchanged, may raise questions about the overall approach to compensation within the company. The Board and the NRC should therefore consider the wider workforce context while reviewing senior executive compensation.

Ratio of median employee remuneration to WTD remuneration



- *Cos which have given information have been considered.*
- *Cos in which salary has not been drawn have been excluded.*
- *PSUs/PSBs are exempt from giving this information.*
- *For companies with more than 1 WTD, the highest compensation paid to any WTD has been considered.*
- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*

- In FY 23, FY 24, FY 25 and FY 26, lowest ratio to median was 8.99, 22.7, 22.21 and 5.13 respectively.
- In FY 23, FY 24, FY 25 and FY 26, highest ratio to median was 5388.84, 1844.2, 1854.40 and 1692 respectively.

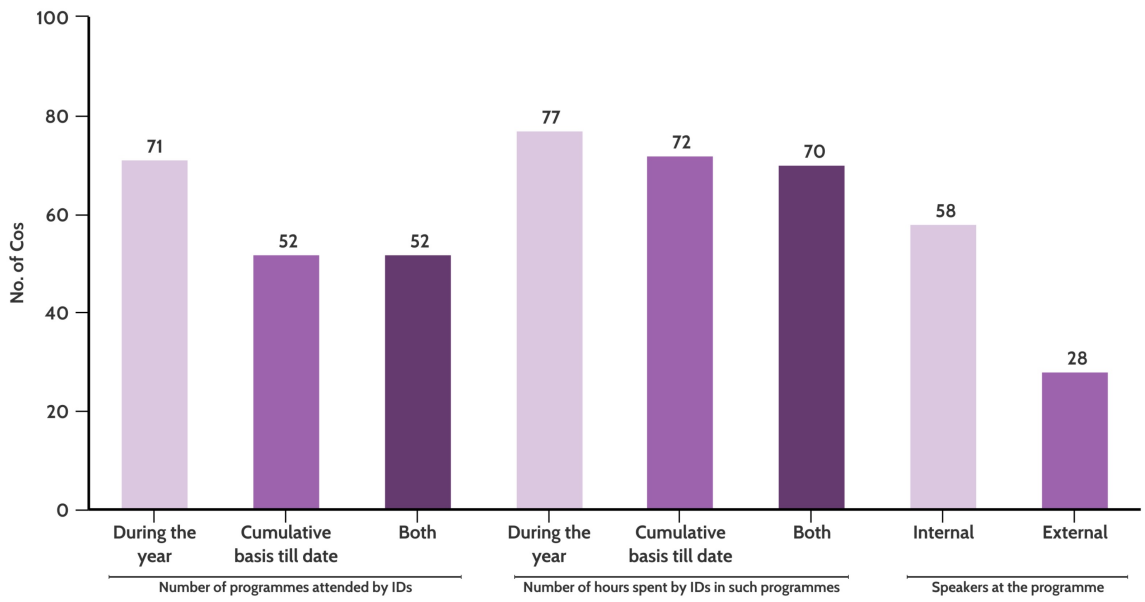
POLICIES

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

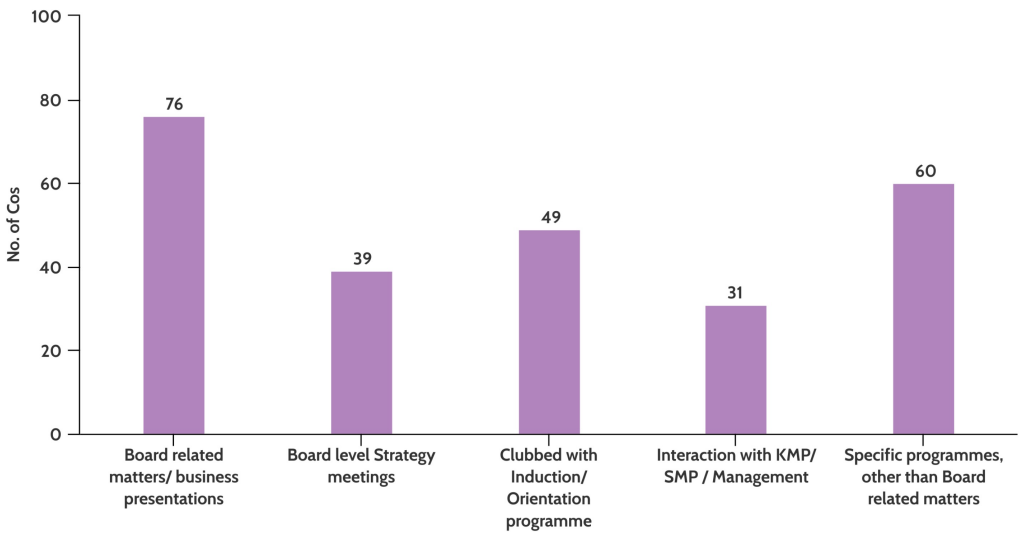
Familiarisation programmes are very important to ensure that Directors are updated in regard to both domain knowledge as well the environment in which the company operates. Therefore, far more attention needs to be given to this matter by the top management. It will be helpful if the Regulator clearly 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.

Details given for Familiarisation Programmes for Directors



- *14 cos have not been considered since they have not updated the details of the programmes.*

Topics given under Familiarisation programmes



- *14 cos have not been considered since they have not updated the details of the 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.

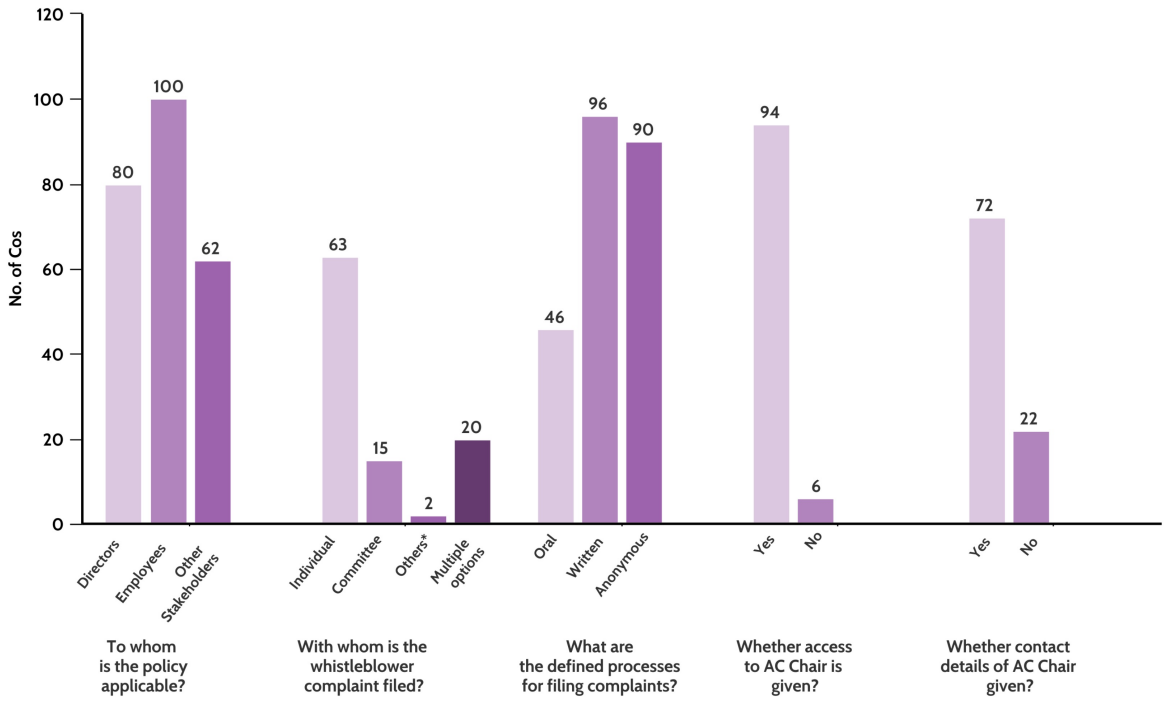
- *As per Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014,*
  (1) Every listed company and the companies belonging to the following class or classes shall establish a vigil mechanism for their directors and employees to report their genuine concerns or grievances-
  (a) the Companies 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.

Content of Whistleblower Policy



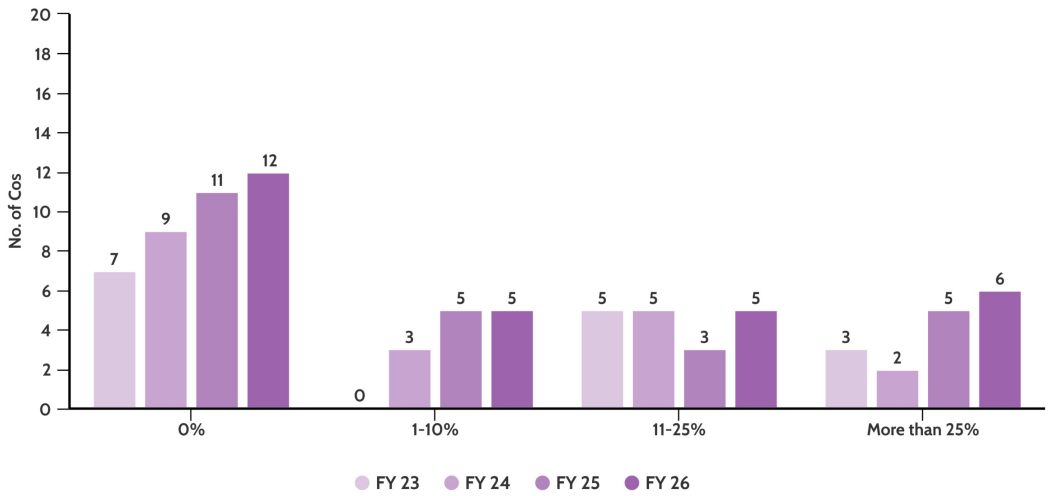
Others includes online portal, external firms, helpline etc.

- Out of 94 policies which provide an access to the Chair of AC,
  - 21 have given both an email id and an address of the Chair of AC.
  - 48 have given an email id. Of these, 9 are general email ids.
  - 45 have given an address. Of these, 39 are company addresses.

WHISTLEBLOWER COMPLAINTS

A very low or even nil number of whistleblower complaints in a large organisation should not automatically be taken as evidence that there are no concerns. It may also indicate that employees are reluctant to use the mechanism, particularly if they fear retaliation or do not have confidence in the process. Companies should therefore look at the number of complaints along with the awareness of the mechanism, the confidence employees have in it and the safeguards available to those who raise concerns.

Percentage of Whistleblower complaints pending at the end of FY



- *Cos which reported zero complaints have been excluded.*
- *In FY 23, 51 cos; in FY 24, 52 cos; in FY 25, 53 cos; and in FY 26, 53 cos did not disclose information related to whistleblower complaints.*
- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*

- In FY 23, FY 24, FY 25 and FY 26, 29, 25, 20 and 19 companies reported receiving 0 complaints.
- The highest number of complaints reported were
  - 303 in FY 23,
  - 494 in FY 24,
  - 1,110 in FY 25,
  - 1,129 in FY 26.
  - Of these, 47.85%, 42.71%, 7.76% and 13.37% respectively were complaints pending for resolution at the end of the FY.

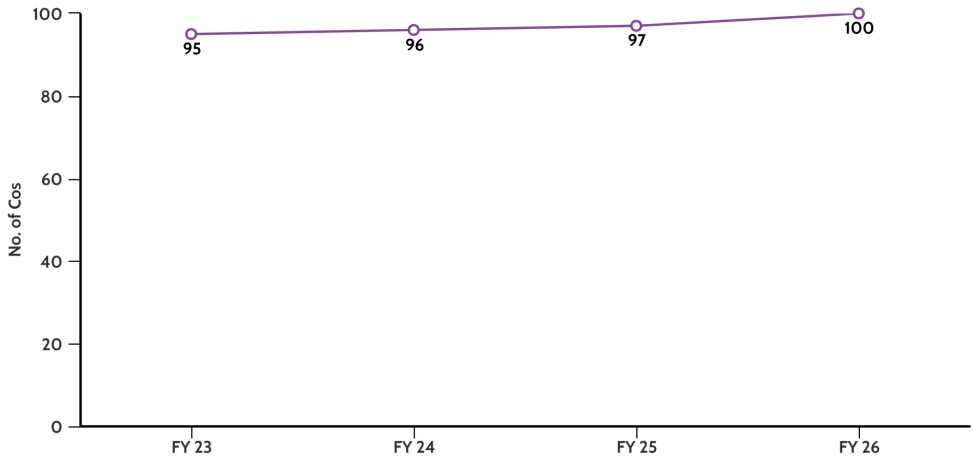
PROGRAMMES FOR AWARENESS OF INSIDER TRADING

Companies should disclose in the Annual Report the awareness programmes conducted on insider trading, including their frequency, coverage and the categories of persons covered. This would enable stakeholders to assess the extent to which the company is proactively addressing insider trading risks through employee awareness and preventive measures.

- The following number of companies disclosed conducting awareness/ training programmes
  - in FY 23, 34 companies.
  - in FY 24, 38 companies.
  - in FY 25, 41 companies.
  - in FY 26, 46 companies.

REFERENCE TO ANTI BRIBERY/ ANTI CORRUPTION

Reference to Anti-bribery or Anti-corruption policy or mechanism in the Annual Report



- *For FY 23, 5 cos; for FY 24, 4 cos; and for FY 25, 3 cos were not listed.*

- In all 4 FYs, 95 companies continued to make such disclosures.

ANNEXURE-1

LIST OF NIFTY 100 COMPANIES AS ON MARCH 31, 2026. THESE COMPANIES HAVE BEEN CONSIDERED FOR THE SURVEY.

ABB India Limited	ITC Limited
Adani Energy Solutions Limited	Jindal Steel Limited
Adani Enterprises Limited	Jio Financial Services Limited
Adani Green Energy Limited	JSW Steel Limited
Adani Ports and Special Economic Zone Limited	Kotak Mahindra Bank Limited
Adani Power Limited	Larsen & Toubro Limited
Ambuja Cements Limited	Lodha Developers Limited
Apollo Hospitals Enterprise Limited	LTM Limited
Asian Paints Limited	Mahindra & Mahindra Limited
Avenue Supermarts Limited	Maruti Suzuki India Limited
Axis Bank Limited	Max Healthcare Institute Limited
Bajaj Auto Limited	Mazagon Dock Shipbuilders Limited
Bajaj Finance Limited	Muthoot Finance Limited
Bajaj Finserv Limited	Nestle India Limited
Bajaj Holdings & Investment Limited	NTPC Limited
Bank of Baroda	Oil & Natural Gas Corporation Limited
Bharat Electronics Limited	Pidilite Industries Limited
Bharat Petroleum Corporation Limited	Power Finance Corporation Limited
Bharti Airtel Limited	Power Grid Corporation of India Limited
Bosch Limited	Punjab National Bank
Britannia Industries Limited	REC Limited
Canara Bank	Reliance Industries Limited
CG Power and Industrial Solutions Limited	Samvardhana Motherson International Limited
Cholamandalam Investment and Finance Company Limited	SBI Life Insurance Company Limited
Cipla Limited	Shree Cement Limited
Coal India Limited	Shriram Finance Limited
Cummins India Limited	Siemens Energy India Limited
Divi's Laboratories Limited	Siemens Limited
DLF Limited	Solar Industries India Limited
Dr. Reddy's Laboratories Limited	State Bank of India
Eicher Motors Limited	Sun Pharmaceutical Industries Limited
Eternal Limited	Tata Capital Limited
GAIL (India) Limited	Tata Consultancy Services Limited
Godrej Consumer Products Limited	Tata Consumer Products Limited
Grasim Industries Limited	Tata Motors Limited
HCL Technologies Limited	Tata Motors Passenger Vehicles Limited
HDFC Asset Management Company Limited	Tata Power Co. Limited
HDFC Bank Limited	Tata Steel Limited
HDFC Life Insurance Company Limited	Tech Mahindra Limited
Hindalco Industries Limited	Titan Company Limited
Hindustan Aeronautics Limited	Torrent Pharmaceuticals Limited
Hindustan Unilever Limited	Trent Limited
Hindustan Zinc Limited	TVS Motor Company Limited
Hyundai Motor India Limited	UltraTech Cement Limited
ICICI Bank Limited	Union Bank of India
Indian Hotels Co. Limited	United Spirits Limited
Indian Oil Corporation Limited	Varun Beverages Limited
Indian Railway Finance Corporation Limited	Vedanta Limited
Infosys Limited	Wipro Limited
InterGlobe Aviation Limited	Zydus Lifesciences Limited

ANNEXURE-2

SHAREHOLDING PATTERN AS ON MARCH 31, 2026 AS PER BSE WEBSITE

S. No.	Name of the Company	Promoter	Institutional shareholders	Government	Non-institutional shareholders
1	ABB India Limited	75.00%	17.49%	0.00%	7.52%
2	Adani Energy Solutions Limited	72.73%	22.48%	0.00%	4.79%
3	Adani Enterprises Limited	74.67%	17.50%	0.00%	7.83%
4	Adani Green Energy Limited	62.43%	15.66%	0.00%	21.91%
5	Adani Ports and Special Economic Zone Limited	68.02%	27.10%	0.00%	4.88%
6	Adani Power Limited	74.96%	15.43%	0.00%	9.62%
7	Ambuja Cements Limited	67.68%	25.94%	0.00%	6.37%
8	Apollo Hospitals Enterprise Limited	28.02%	65.38%	0.23%	6.37%
9	Asian Paints Limited	52.63%	33.92%	0.00%	13.40%
10	Avenue Supermarts Limited	74.51%	17.85%	0.00%	7.64%
11	Axis Bank Limited	8.14%	85.41%	0.00%	6.45%
12	Bajaj Auto Limited	55.01%	23.29%	0.00%	21.62%
13	Bajaj Finance Limited	54.70%	36.51%	0.00%	8.71%
14	Bajaj Finserv Limited	58.71%	19.00%	0.00%	22.16%
15	Bajaj Holdings & Investment Limited	51.46%	17.69%	0.00%	30.85%
16	Bank of Baroda	63.97%	28.70%	0.00%	7.33%
17	Bharat Electronics Limited	51.14%	39.49%	0.00%	9.37%
18	Bharat Petroleum Corporation Limited	52.98%	38.11%	0.43%	8.49%
19	Bharti Airtel Limited	48.87%	48.45%	0.00%	2.64%
20	Bosch Limited	70.54%	22.28%	0.00%	7.18%
21	Britannia Industries Limited	50.55%	34.50%	0.00%	14.95%
22	Canara Bank	62.93%	25.14%	0.00%	11.93%
23	CG Power and Industrial Solutions Limited	56.36%	30.11%	0.00%	13.53%
24	Cholamandalam Investment and Finance Company Limited	49.25%	44.78%	0.00%	5.96%
25	Cipla Limited	29.21%	54.53%	0.00%	16.25%
26	Coal India Limited	63.13%	31.13%	0.10%	5.63%
27	Cummins India Limited	51.00%	40.33%	0.00%	8.67%
28	Divi's Laboratories Limited	51.88%	39.51%	0.00%	8.60%
29	DLF Limited	74.08%	20.48%	0.00%	5.44%
30	Dr. Reddy's Laboratories Limited	26.63%	63.80%	0.00%	9.33%
31	Eicher Motors Limited	49.06%	41.60%	0.00%	9.34%
32	Eternal Limited	0.00%	68.60%	0.00%	26.67%
33	GAIL (India) Limited	51.88%	33.64%	7.51%	6.97%
34	Godrej Consumer Products Limited	53.05%	31.94%	0.00%	15.00%
35	Grasim Industries Limited	43.74%	33.46%	0.00%	22.46%
36	HCL Technologies Limited	60.86%	34.50%	0.00%	4.36%
37	HDFC Asset Management Company Limited	52.37%	38.88%	0.00%	8.75%
38	HDFC Bank Limited	0.00%	84.37%	0.00%	15.64%
39	HDFC Life Insurance Company Limited	50.21%	39.77%	0.00%	10.00%
40	Hindalco Industries Limited	34.64%	55.60%	0.23%	9.03%
41	Hindustan Aeronautics Limited	71.64%	20.70%	0.00%	7.65%
42	Hindustan Unilever Limited	61.90%	26.50%	0.00%	11.60%
43	Hindustan Zinc Limited	60.71%	7.24%	27.92%	4.13%
44	Hyundai Motor India Limited	82.50%	15.12%	0.00%	2.37%
45	ICICI Bank Limited	0.00%	74.44%	0.22%	25.35%
46	Indian Hotels Co. Limited	38.12%	45.93%	0.00%	15.95%
47	Indian Oil Corporation Limited	51.50%	19.06%	19.48%	9.97%
48	Indian Railway Finance Corporation Limited	84.65%	4.06%	0.00%	11.29%
49	Infosys Limited	14.38%	71.83%	0.02%	13.53%
50	InterGlobe Aviation Limited	41.57%	52.82%	0.00%	5.60%
51	ITC Limited	0.00%	83.98%	0.04%	15.98%
52	Jindal Steel Limited	62.69%	28.33%	0.00%	8.72%
53	Jio Financial Services Limited	47.12%	26.67%	0.09%	26.12%
54	JSW Steel Limited	45.32%	36.53%	0.51%	17.45%
55	Kotak Mahindra Bank Limited	25.87%	62.58%	0.00%	11.55%
56	Larsen & Toubro Limited	0.00%	62.11%	0.25%	37.64%
57	Lodha Developers Limited	72.27%	25.87%	0.00%	1.86%
58	LTM Limited	68.52%	23.64%	0.00%	7.83%
59	Mahindra & Mahindra Limited	18.45%	67.72%	0.07%	10.25%
60	Maruti Suzuki India Limited	58.53%	38.30%	0.00%	3.18%
61	Max Healthcare Institute Limited	23.71%	71.71%	0.00%	4.57%
62	Mazagon Dock Shipbuilders Limited	81.22%	6.82%	0.00%	11.95%
63	Muthoot Finance Limited	73.35%	22.72%	0.00%	3.93%
64	Nestle India Limited	62.76%	22.13%	0.00%	15.10%
65	NTPC Limited	51.10%	45.68%	0.12%	3.10%
66	Oil & Natural Gas Corporation Limited	58.89%	27.28%	10.30%	3.53%
67	Pidilite Industries Limited	69.32%	21.39%	0.00%	9.29%
68	Power Finance Corporation Limited	55.99%	34.69%	0.00%	9.31%
69	Power Grid Corporation of India Limited	51.34%	45.16%	0.00%	3.50%
70	Punjab National Bank	70.08%	22.44%	0.00%	7.47%

S. No.	Name of the Company	Promoter	Institutional shareholders	Government	Non-institutional shareholders
71	REC Limited	52.63%	32.14%	0.05%	15.17%
72	Reliance Industries Limited	50.00%	39.22%	0.10%	10.69%
73	Samvardhana Motherson International Limited	48.60%	33.58%	0.00%	17.60%
74	SBI Life Insurance Company Limited	55.33%	40.64%	0.00%	4.02%
75	Shree Cement Limited	62.55%	24.96%	0.00%	12.48%
76	Shriram Finance Limited	25.38%	68.44%	0.00%	6.18%
77	Siemens Energy India Limited	75.00%	14.21%	0.00%	10.79%
78	Siemens Limited	75.00%	15.39%	0.00%	9.60%
79	Solar Industries India Limited	73.15%	19.50%	0.00%	7.35%
80	State Bank of India	55.52%	37.65%	0.02%	6.81%
81	Sun Pharmaceutical Industries Limited	54.48%	37.04%	0.00%	8.48%
82	Tata Capital Limited	85.41%	8.49%	0.00%	5.43%
83	Tata Consultancy Services Limited	71.77%	23.07%	0.00%	5.16%
84	Tata Consumer Products Limited	33.83%	44.98%	0.01%	21.18%
85	Tata Motors Limited	42.56%	36.87%	0.05%	20.52%
86	Tata Motors Passenger Vehicles Limited	42.56%	34.33%	0.06%	23.05%
87	Tata Power Co. Limited	46.86%	28.32%	0.01%	24.81%
88	Tata Steel Limited	33.19%	45.90%	0.01%	20.90%
89	Tech Mahindra Limited	34.97%	55.92%	0.17%	8.93%
90	Titan Company Limited	52.90%	30.69%	0.00%	16.33%
91	Torrent Pharmaceuticals Limited	68.31%	25.24%	0.00%	6.45%
92	Trent Limited	37.01%	37.96%	0.00%	25.03%
93	TVS Motor Company Limited	50.27%	41.40%	0.00%	8.30%
94	UltraTech Cement Limited	59.33%	32.53%	0.05%	7.91%
95	Union Bank of India	74.76%	20.88%	0.00%	4.36%
96	United Spirits Limited	56.67%	29.78%	0.01%	13.54%
97	Varun Beverages Limited	59.44%	33.91%	0.00%	6.65%
98	Vedanta Limited	56.38%	27.36%	0.06%	16.05%
99	Wipro Limited	72.62%	18.65%	0.00%	8.61%
100	Zydus Lifesciences Limited	75.00%	18.15%	0.00%	6.86%

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.



For any further information on the survey, please contact:

Ms Divyani Garg
d.garg@excellenceenablers.in
+91 9650012066

CONTACT US

+91 11 43595444-445

solutions@excellenceenablers.in

www.excellenceenablers.com