

Excellence Enablers Private Limited under the guidance of M Damodaran has compiled this 6 th edition.

Weekly Learnings 44 / 2025

Some interesting points:

1. In the last 25 years, India has seen 42 companies listed every year.
2. 60 % of the companies have a board size of 9 to 13 directors.
3. A third of companies haven't separated the Chairman and MD role.
4. 40 % of the boards have 2 or more women directors and 53 % have at least one woman director. That's good progress
5. 38 % of women in Key management positions, that's also good
6. Top 3 skills for directors are - Finance /Economics, Corporate Governance and Industry knowledge/expertise
7. Most boards meet either once a month or once in two months
8. Top 3 risks identified in a company are: Financial, Operational and IT
9. AGMs are virtual now and last 2 to 3 hours
10. Only 15 % of companies do a shareholder satisfaction survey
11. Clawback of salary is going up
12. Succession planning for board level roles is only 50%
13. Only 31 % of POSH cases have a 100 % settlement.
14. Top 3 qualities required in a Board Chair - Leadership, Steering board meetings and Objectivity
15. Top 3 qualities of Directors - Participation, Knowledge and Commitment/preparedness
16. Board action plan lags vs feedback
17. 31 % have a board portal.
18. Action take report is not there in half the companies.

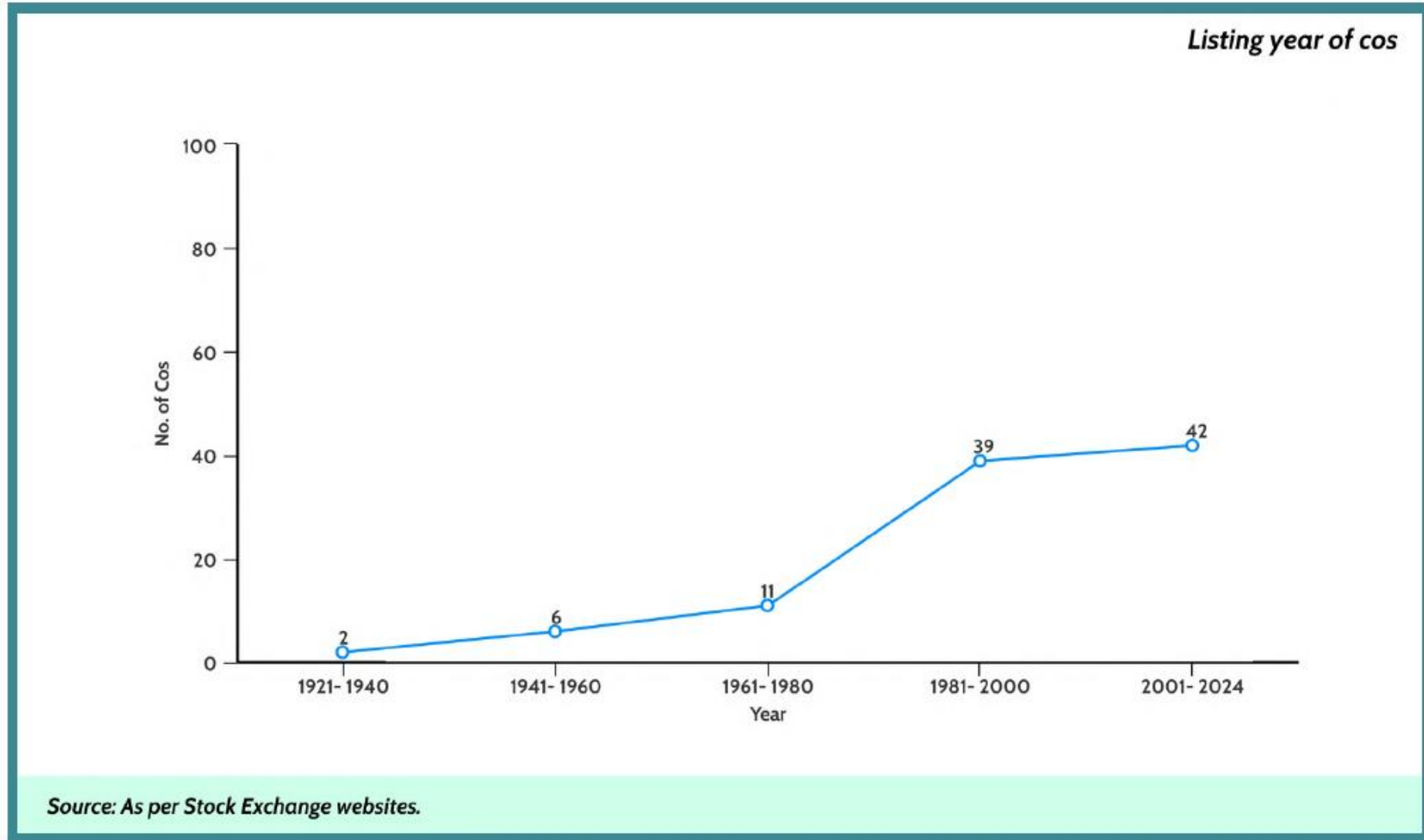
Corporate Governance

Excellence Enablers 6 th report 2025

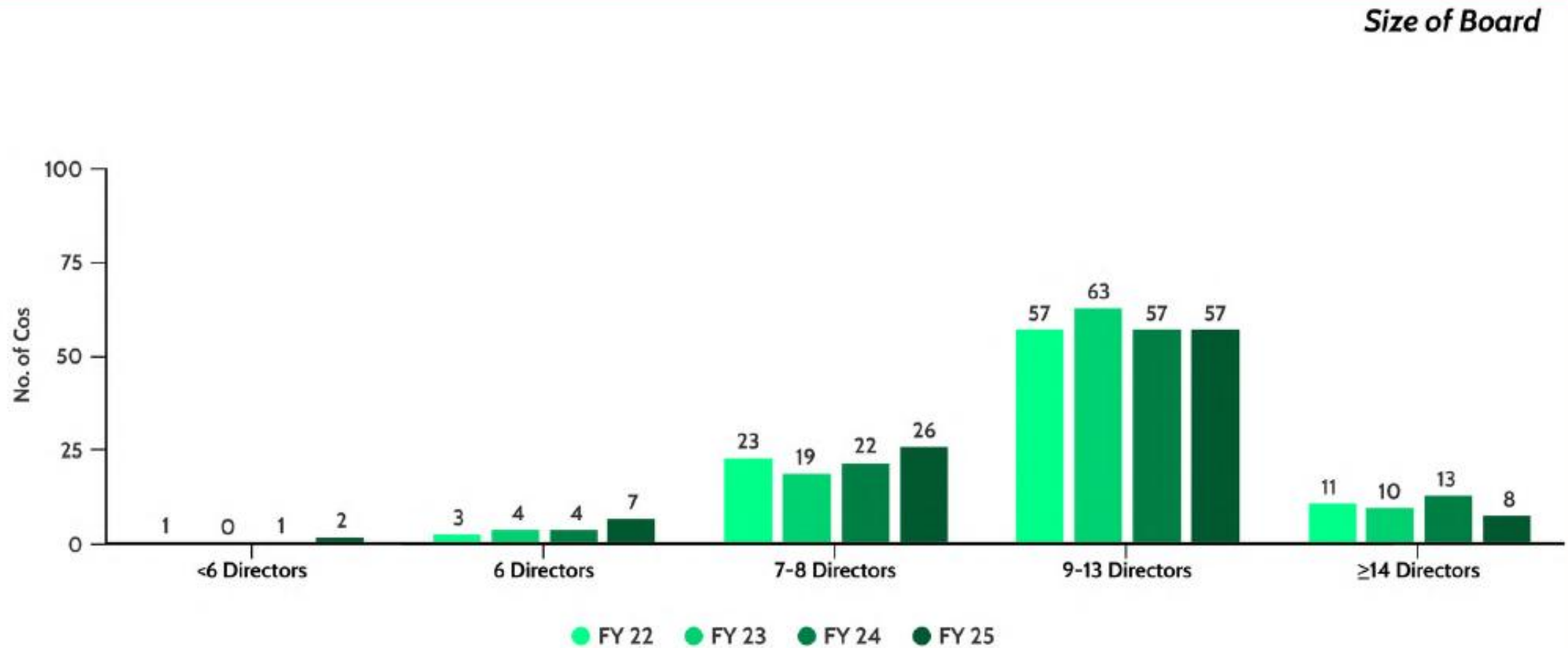
SURVEY ON CORPORATE GOVERNANCE

6th Edition

YEAR OF LISTING

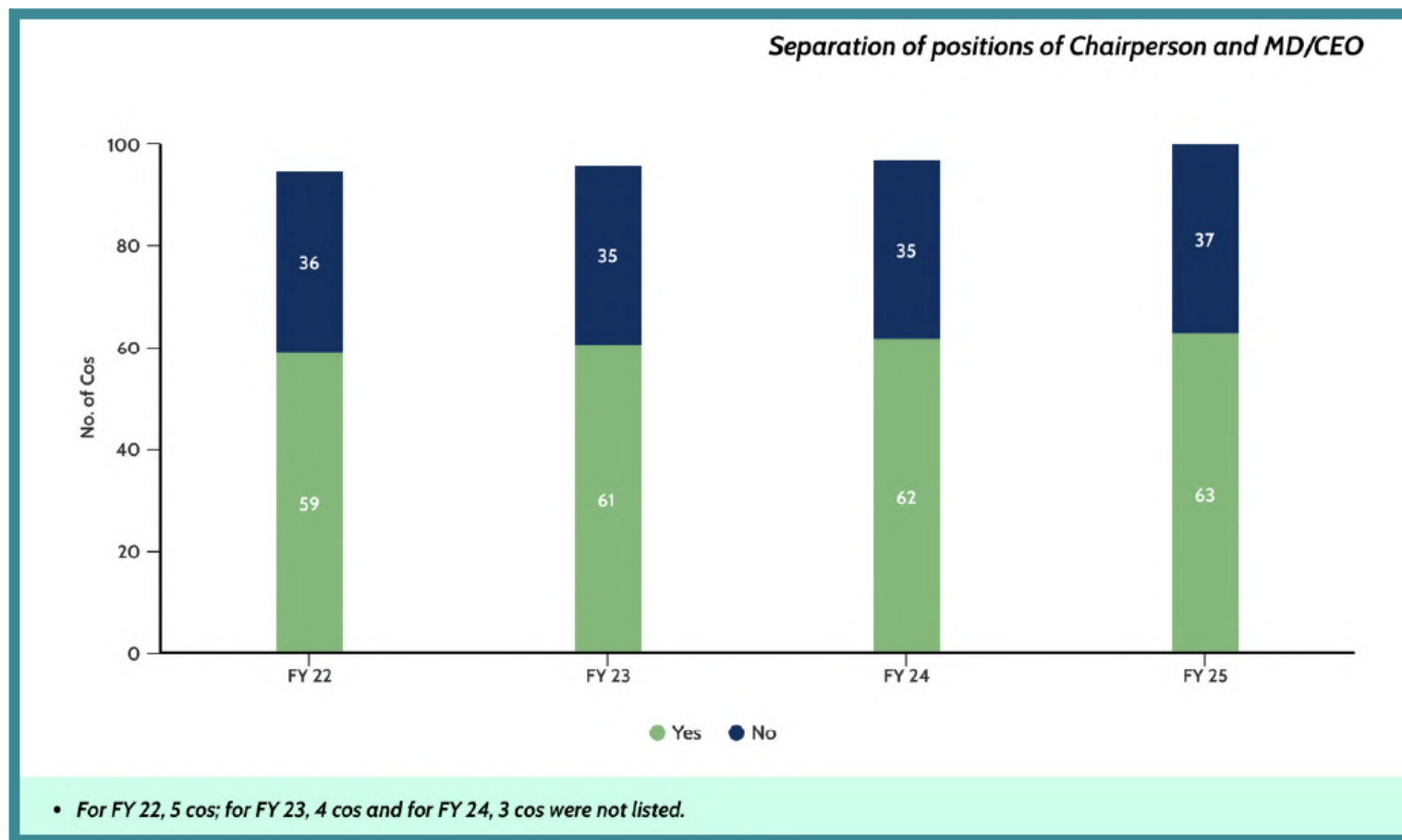


SIZE OF BOARD



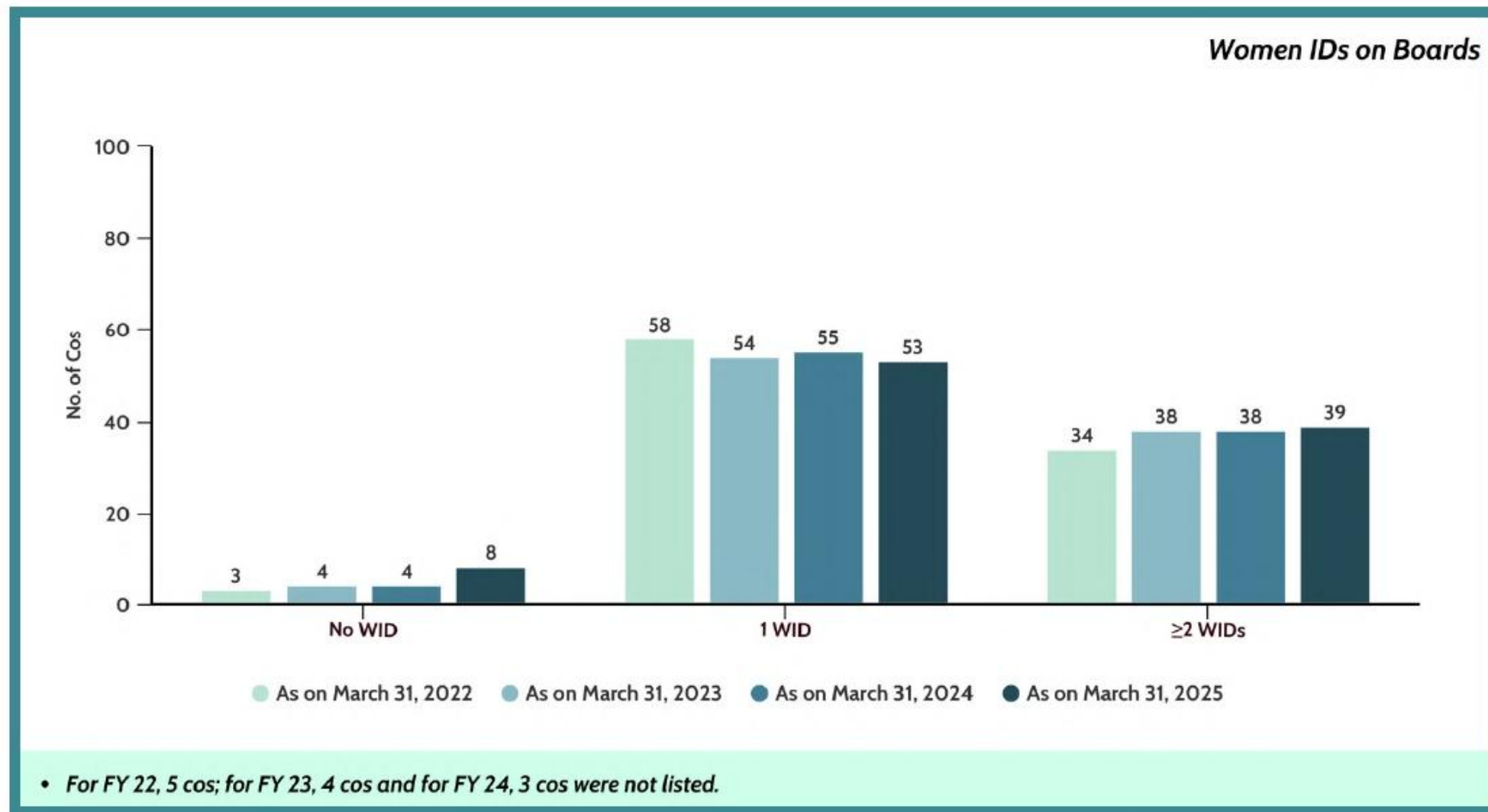
- For FY 22, 5 cos; for FY 23, 4 cos and for FY 24, 3 cos were not listed.

SEPARATION OF POSTS OF CHAIR AND MD/CEO

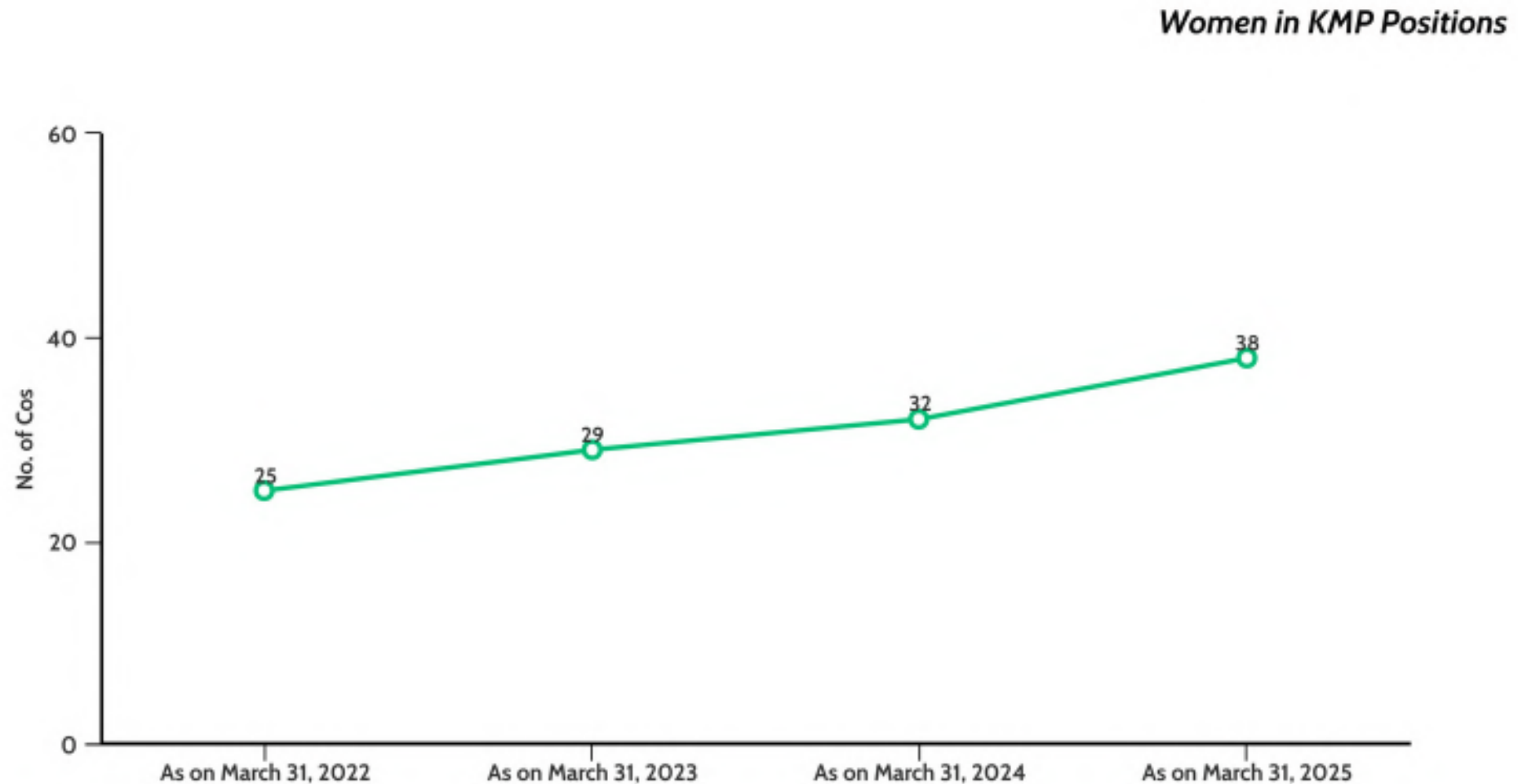


- In FY 22, FY 23, FY 24, and FY 25, 24, 23, 23 and 25 non-PSU companies respectively had an Executive Chairperson or a CMD.
- In FY 22, FY 23, FY 24, and FY 25, 12, 12, 12 and 12 PSUs respectively had a CMD.

PERCENTAGE OF WOMEN DIRECTORS



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, 20 companies had one or more woman as a KMP.

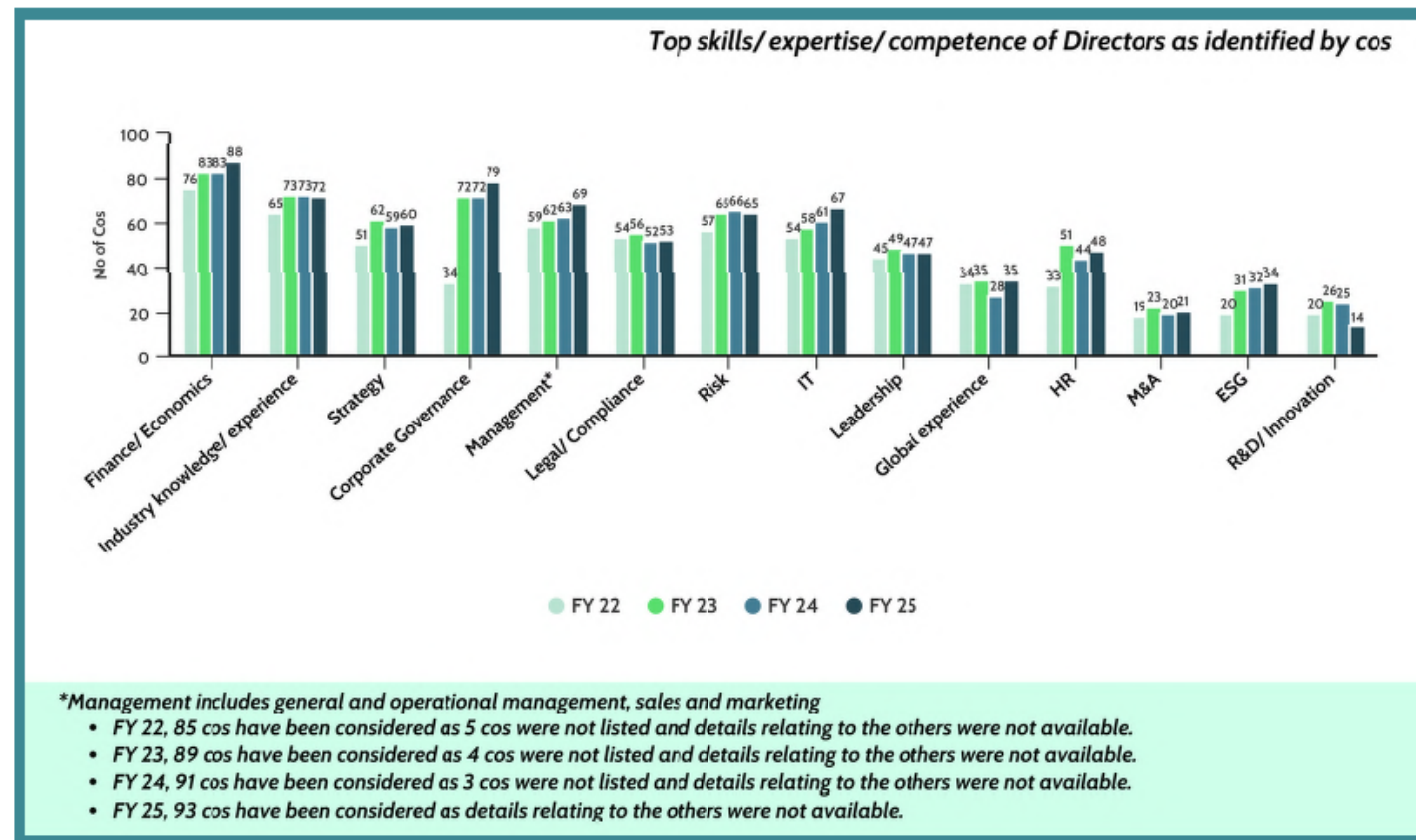
EXPERTISE/SKILL DIVERSITY

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

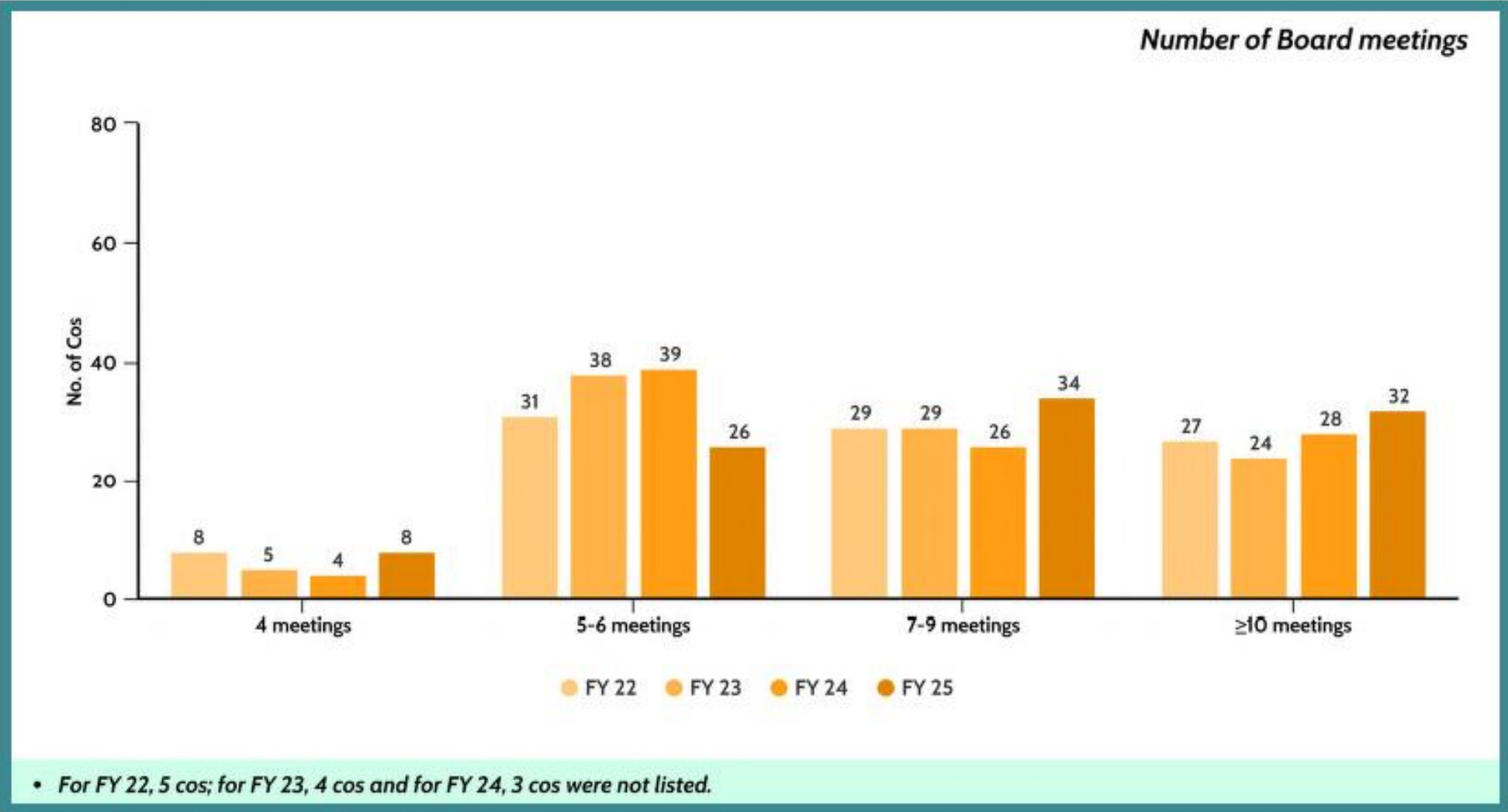
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(ii) With effect from the financial year ended March 31, 2020, the names of directors who have such skills / expertise / competence.

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

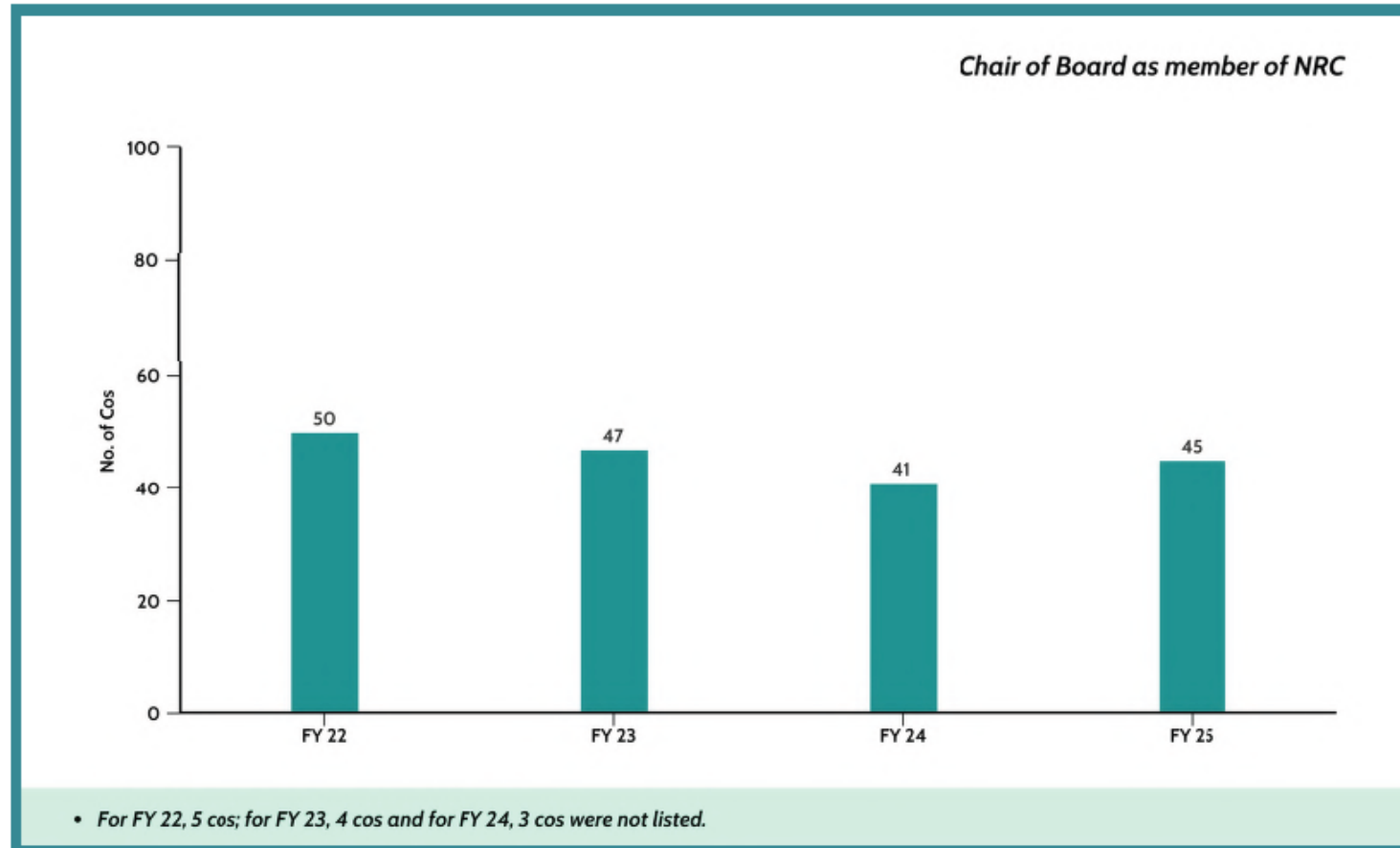


NUMBER OF BOARD MEETINGS



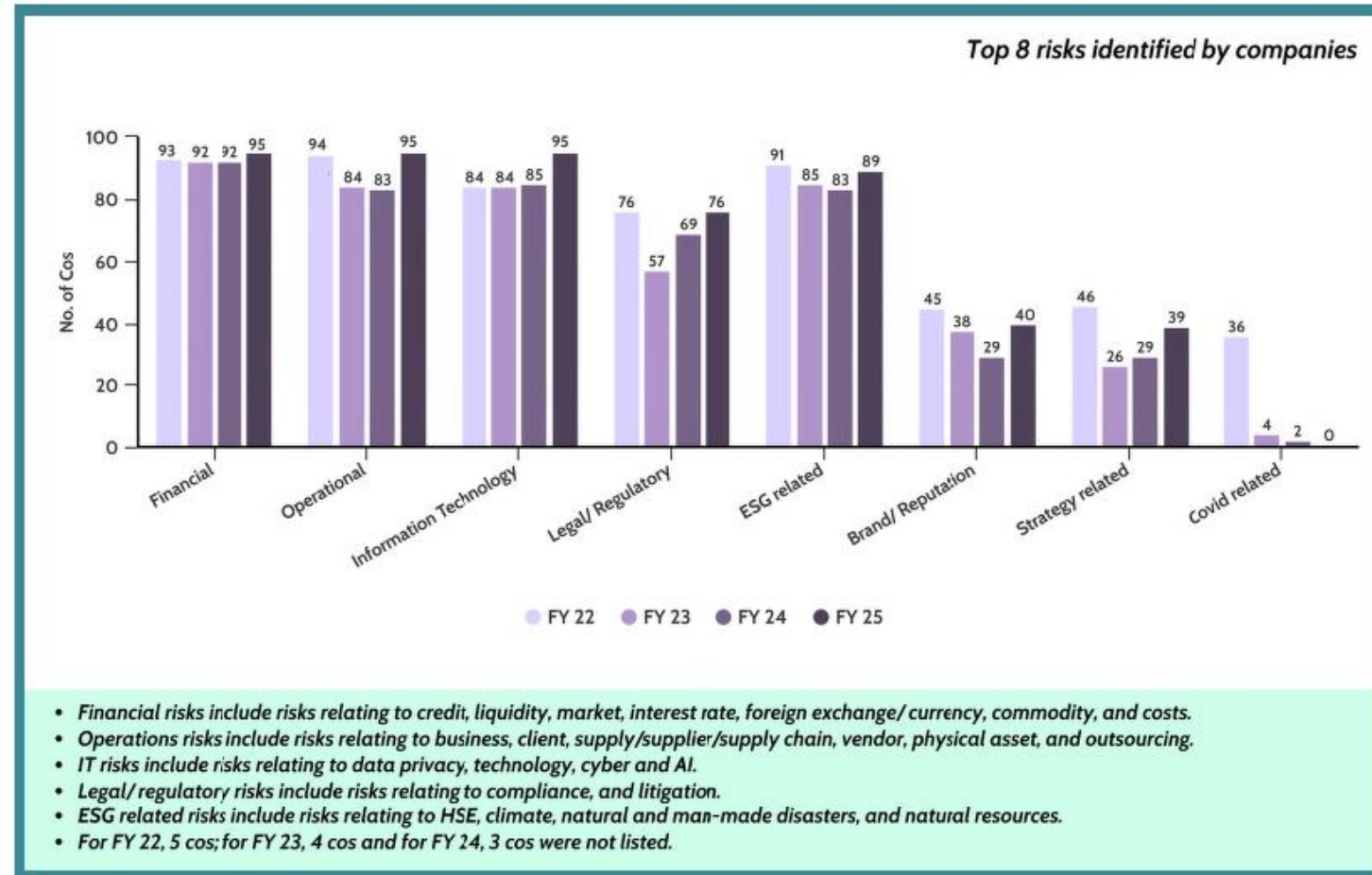
CHAIR OF BOARD AS A MEMBER OF NRC

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



- In previous 4 FYs, 36 companies are common.

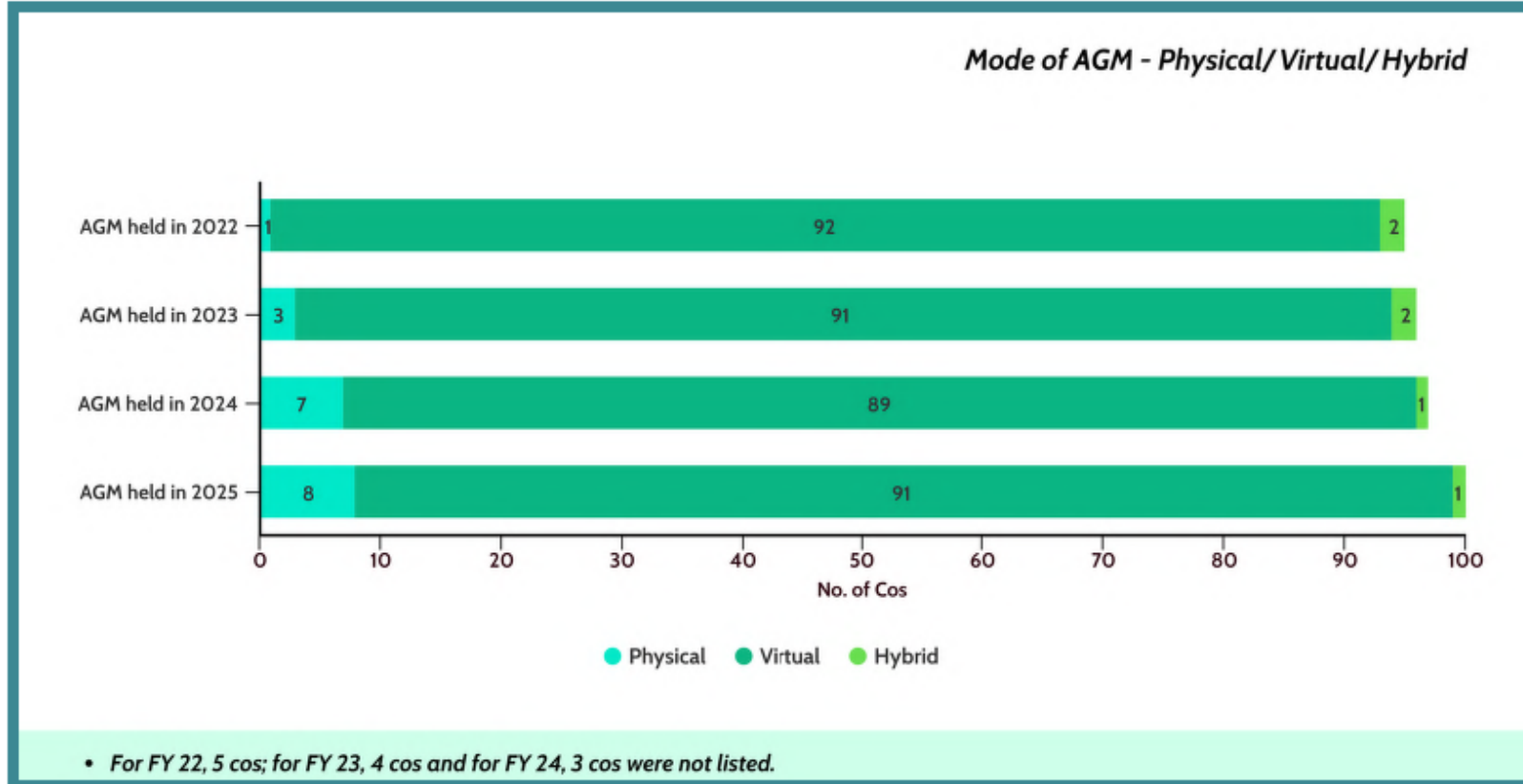
TOP 8 RISKS IDENTIFIED BY COMPANIES



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

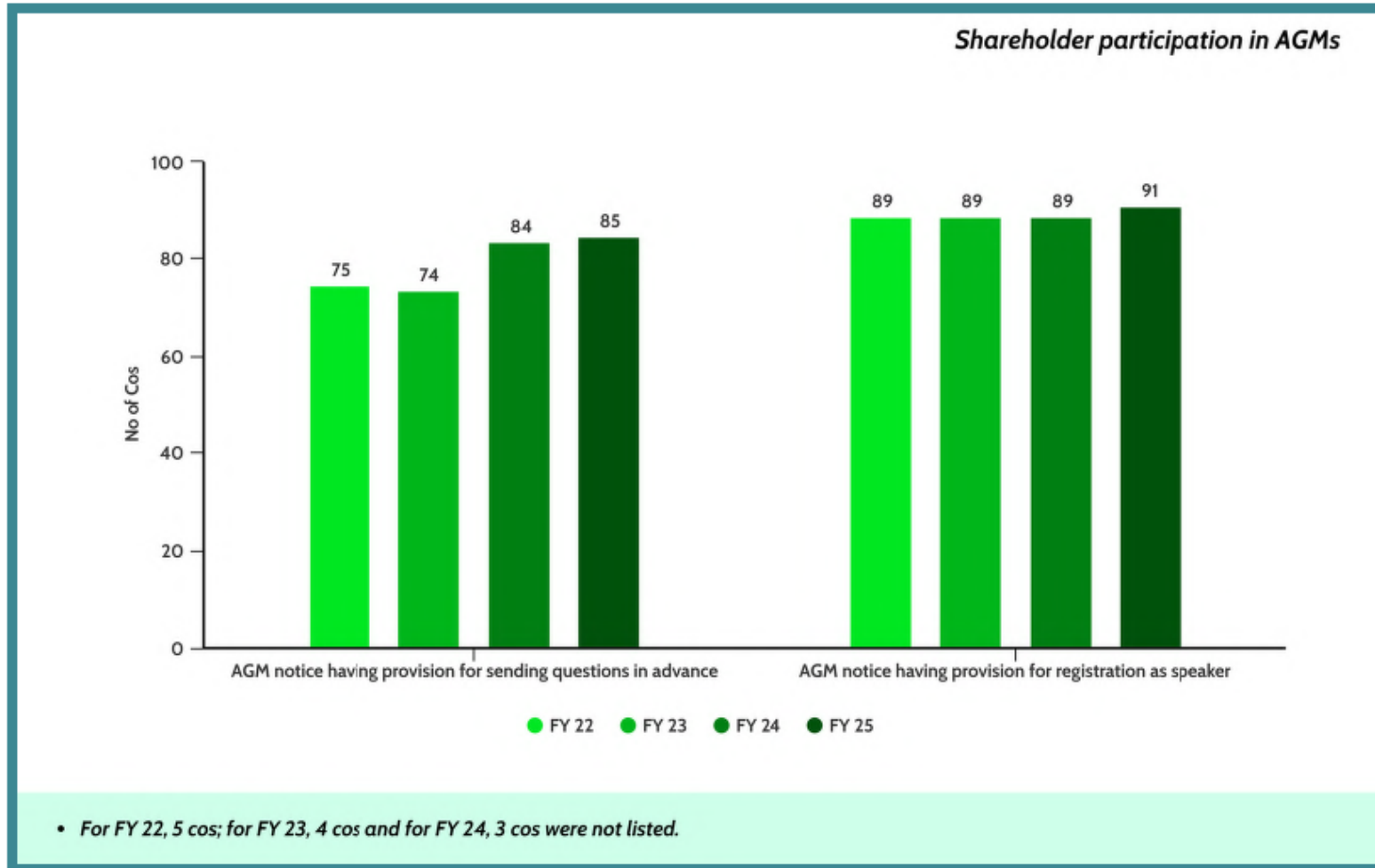
MODE OF AGM

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.



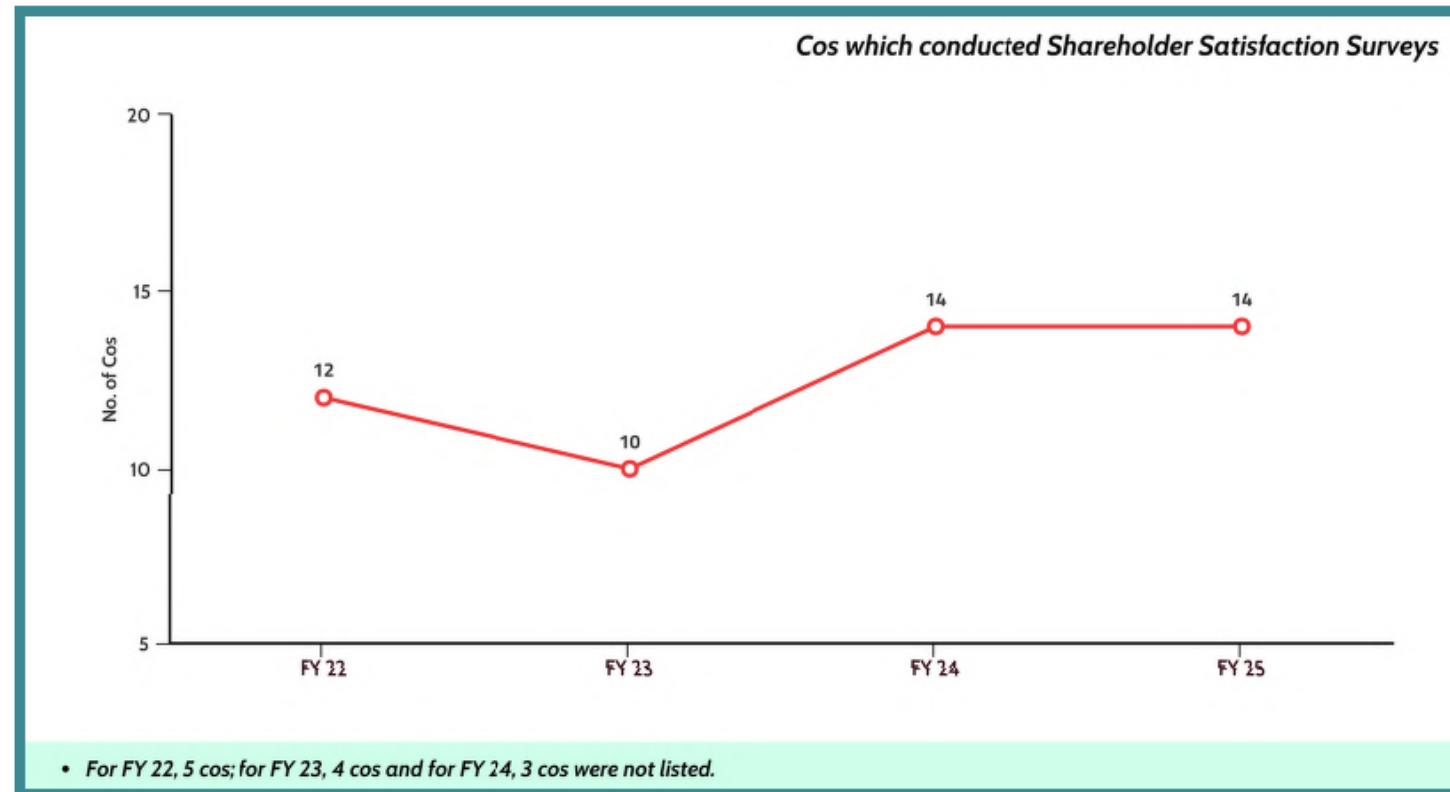
COMPANIES INVITING SHAREHOLDER QUESTIONS IN ADVANCE

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



SHAREHOLDER SATISFACTION SURVEY

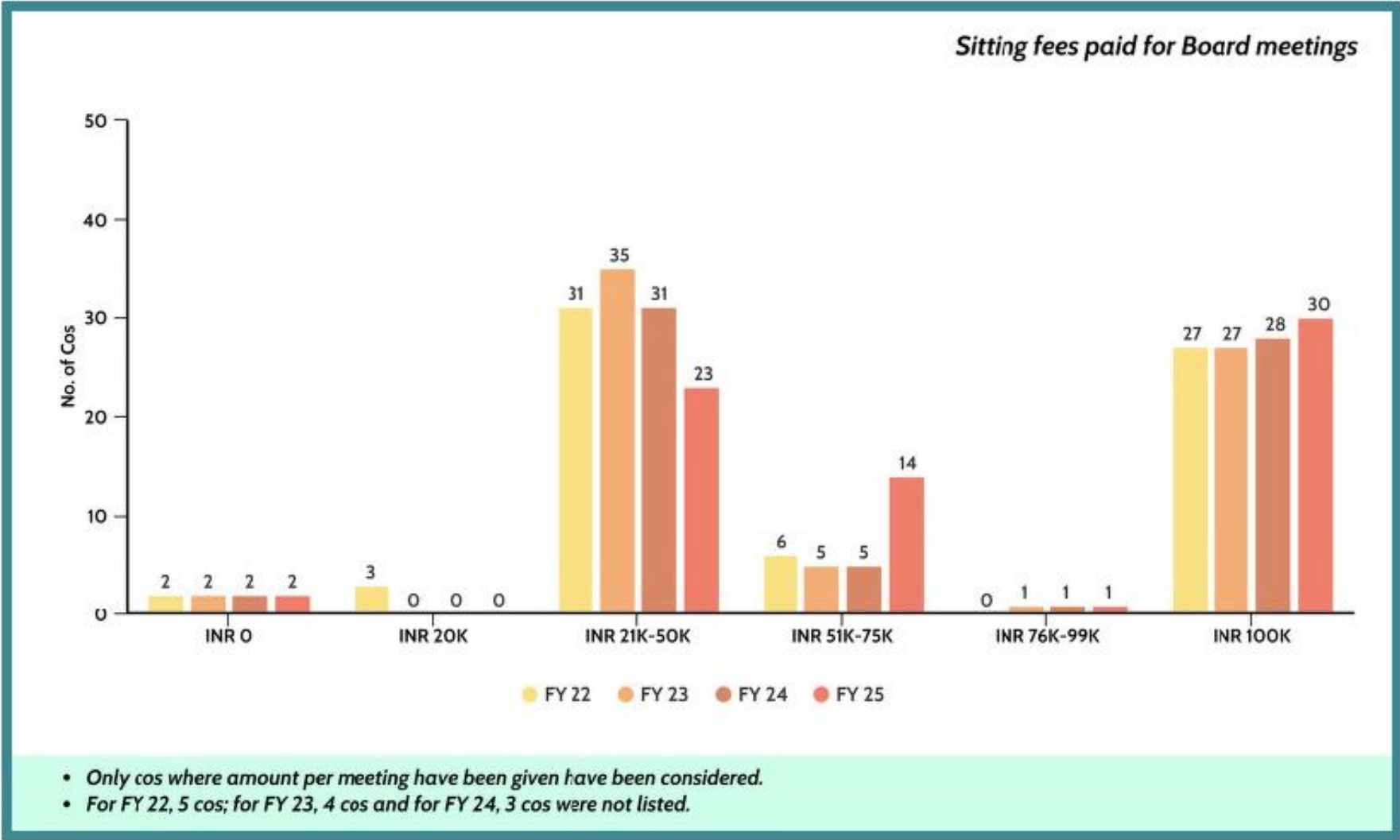
The Shareholder Satisfaction Survey, that some companies conduct, enables them to identify areas for improvement that need to be worked on, and to reinforce those aspects that seem to be meeting with the approval of the shareholders. However, a survey conducted through the process of administering questionnaires,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



- In previous 4 FYs, 4 companies are common.

COMPENSATION TO DIRECTORS

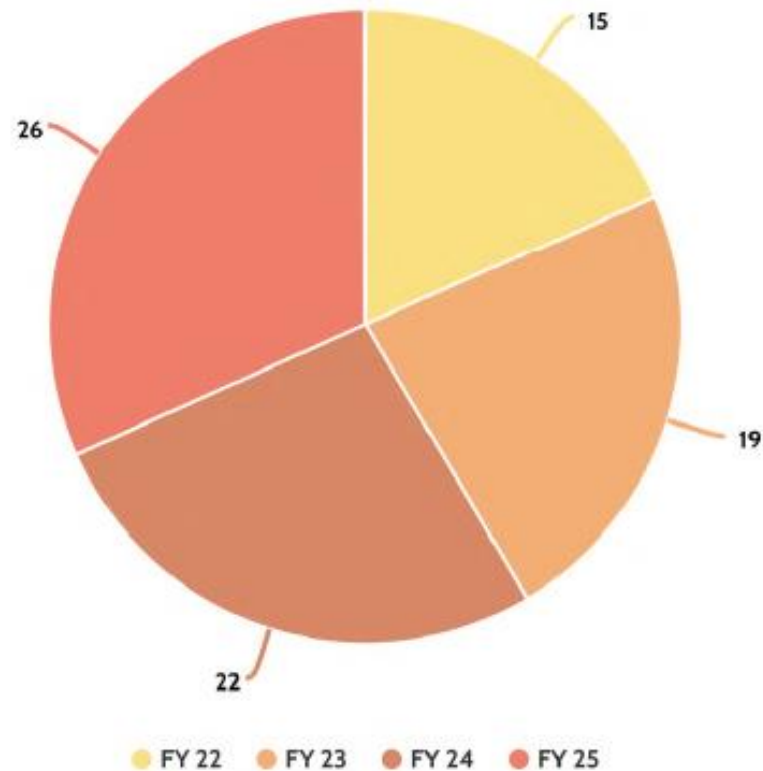
SITTING FEES PAID FOR BOARD MEETINGS



- In all 4 FYs, 2 companies paid additional sitting fees to the Chair of the Board/ committees.

REFERENCE TO CLAWBACK OF SALARY

Reference to Clawback in the Annual Report



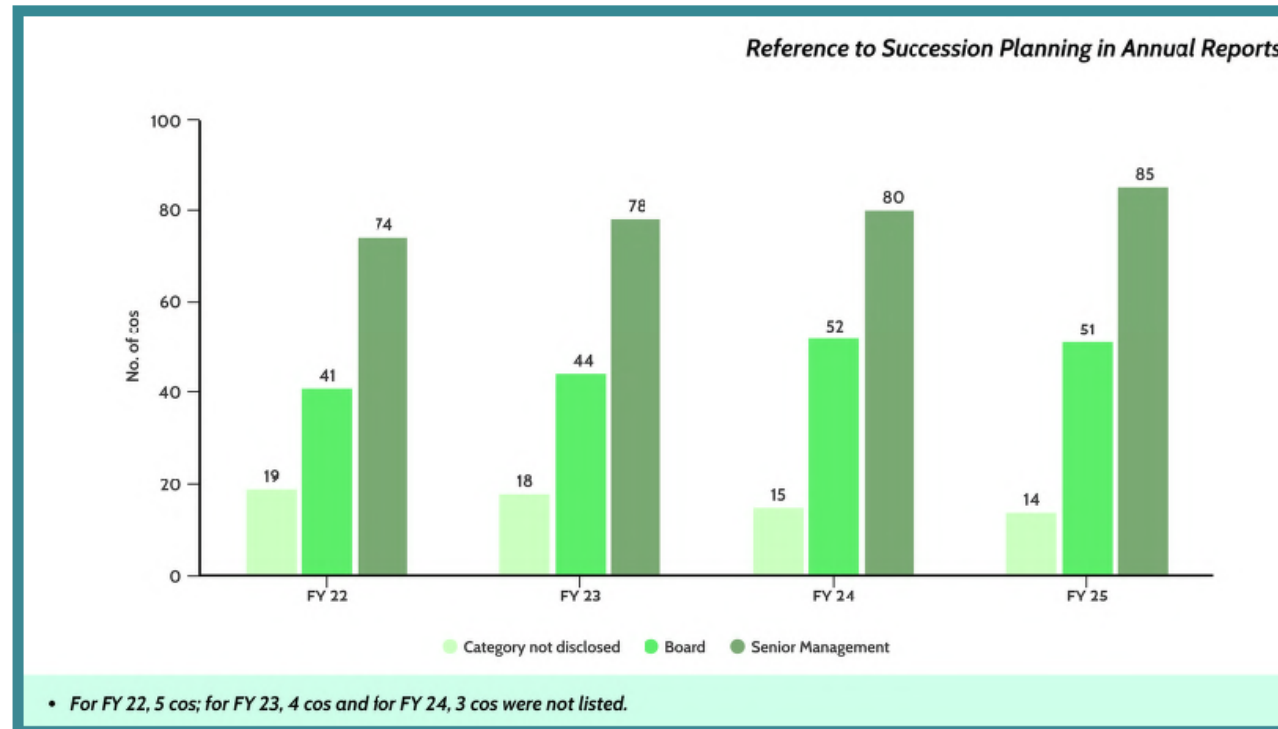
• For FY 22, 5 cos; in FY 23, 4 cos and in FY 24, 3 cos were not listed.

• In all 4 FYs, 13 companies continued to make such disclosures.

SUCCESSION PLANNING

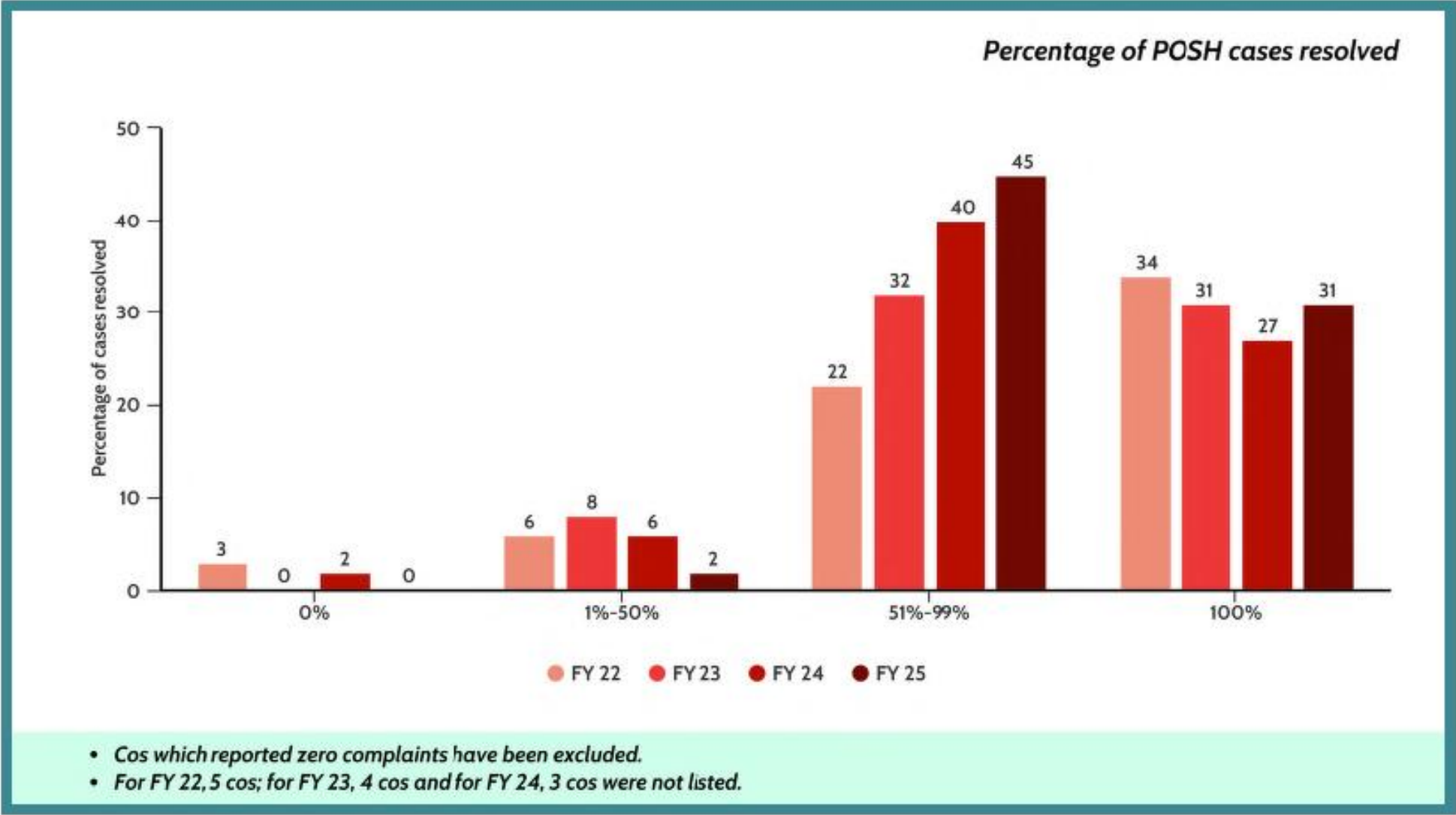
- As per Regulation 17(4) of SEBI LODR Regulation 2015, the Board of Directors of the listed entity shall satisfy itself that plans are in place for orderly succession for appointment to the Board of Directors and senior management.

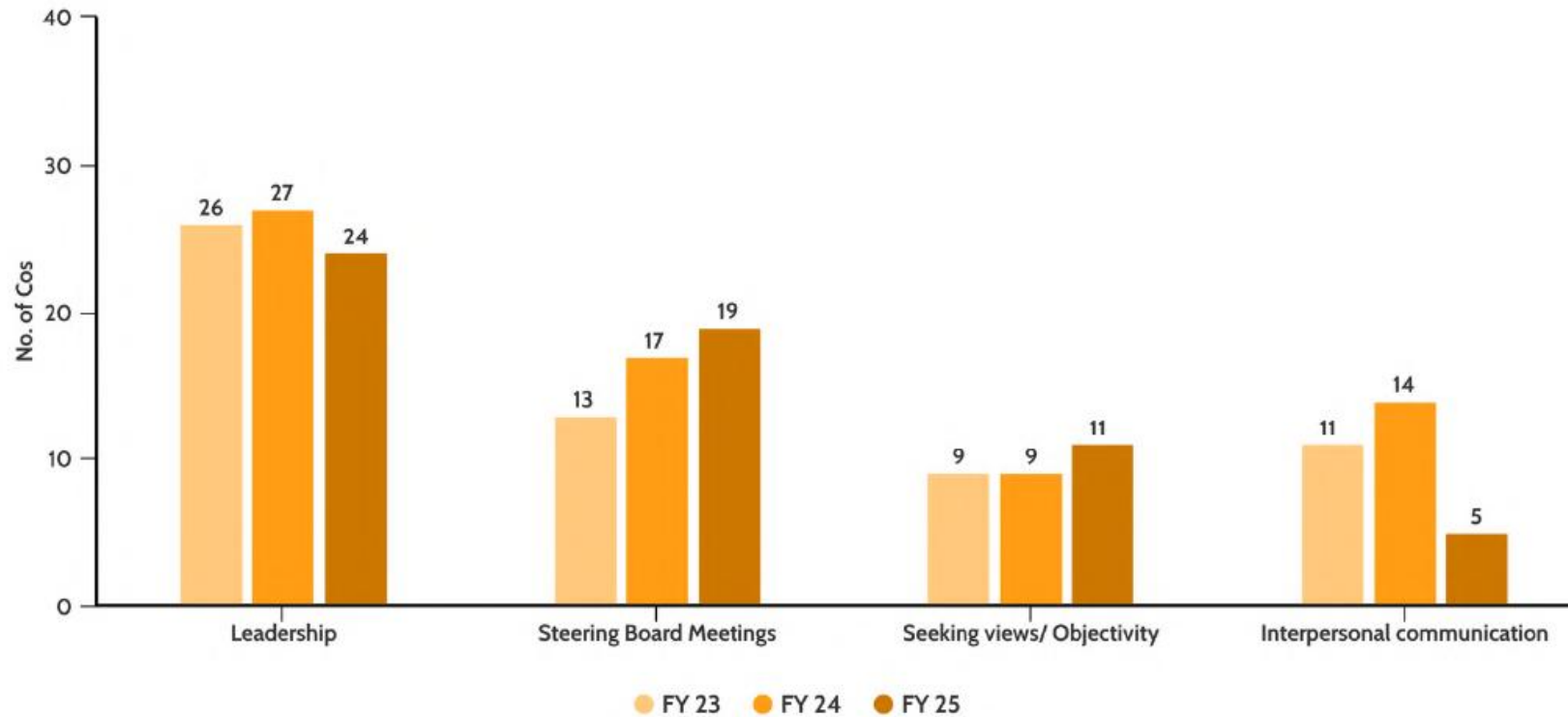
Succession planning is one of the major functions of the NRC and the Board, and the action taken or being taken is required to be indicated in the Annual report. In the absence of a robust succession planning process, the sudden departure of a Board member or a KMP/ SMP could be disruptive.



- In previous 4 FYs, 31 companies, which have disclosed details on succession planning of Board as well as management, are common.
- 8 companies did not disclose any details relating to succession planning in the previous 4 FYs.

DISCLOSURE RELATING TO POSH



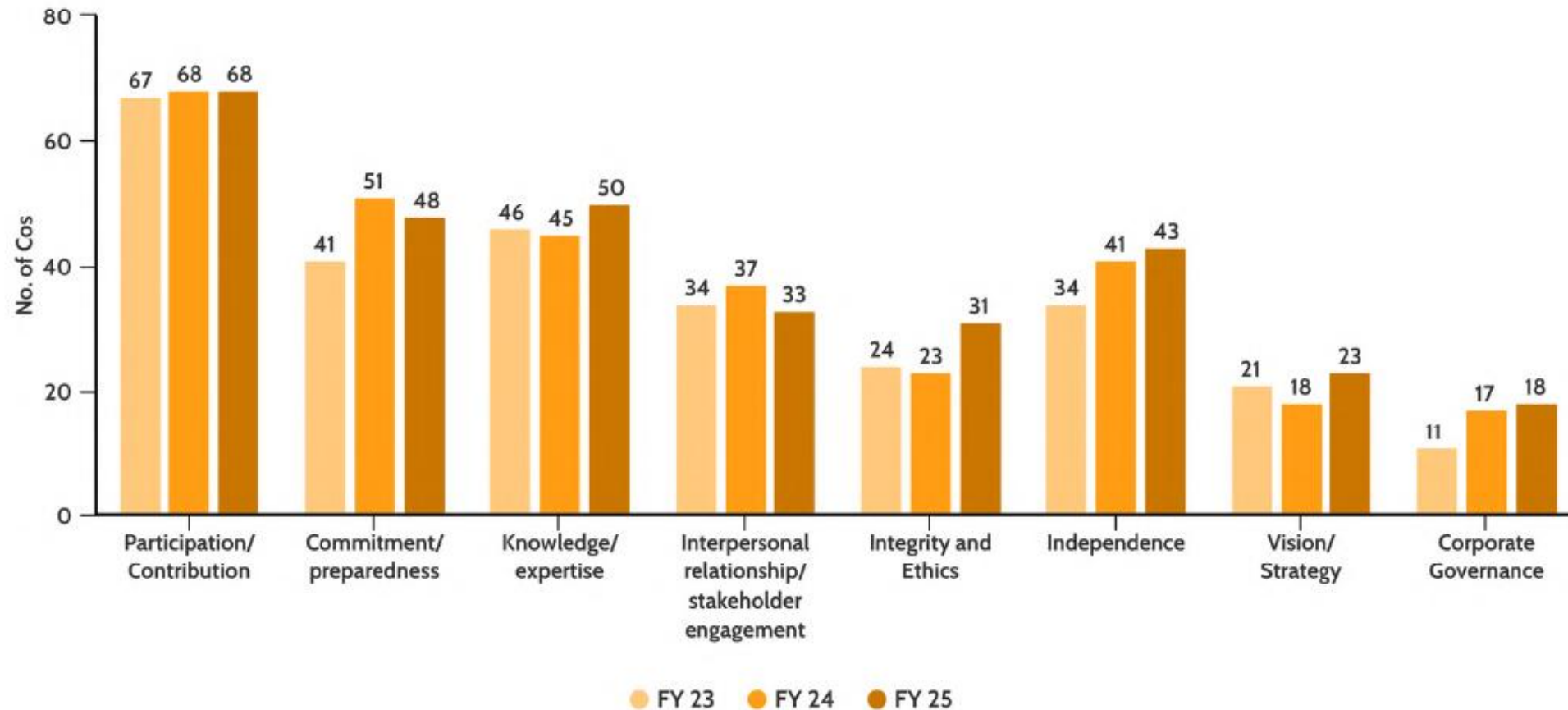
Top parameters for evaluation of Chairperson

- Same terminology or reasons as provided by cos have been used.
- Cos which have provided the parameters have been considered.
- For FY 23, 4 cos and for FY 24, 3 cos were not listed.

- In FY 23, FY 24 and FY 25, 5, 5 and 6 companies have mentioned 'handling dissent' as one of the parameters.

DIRECTORS

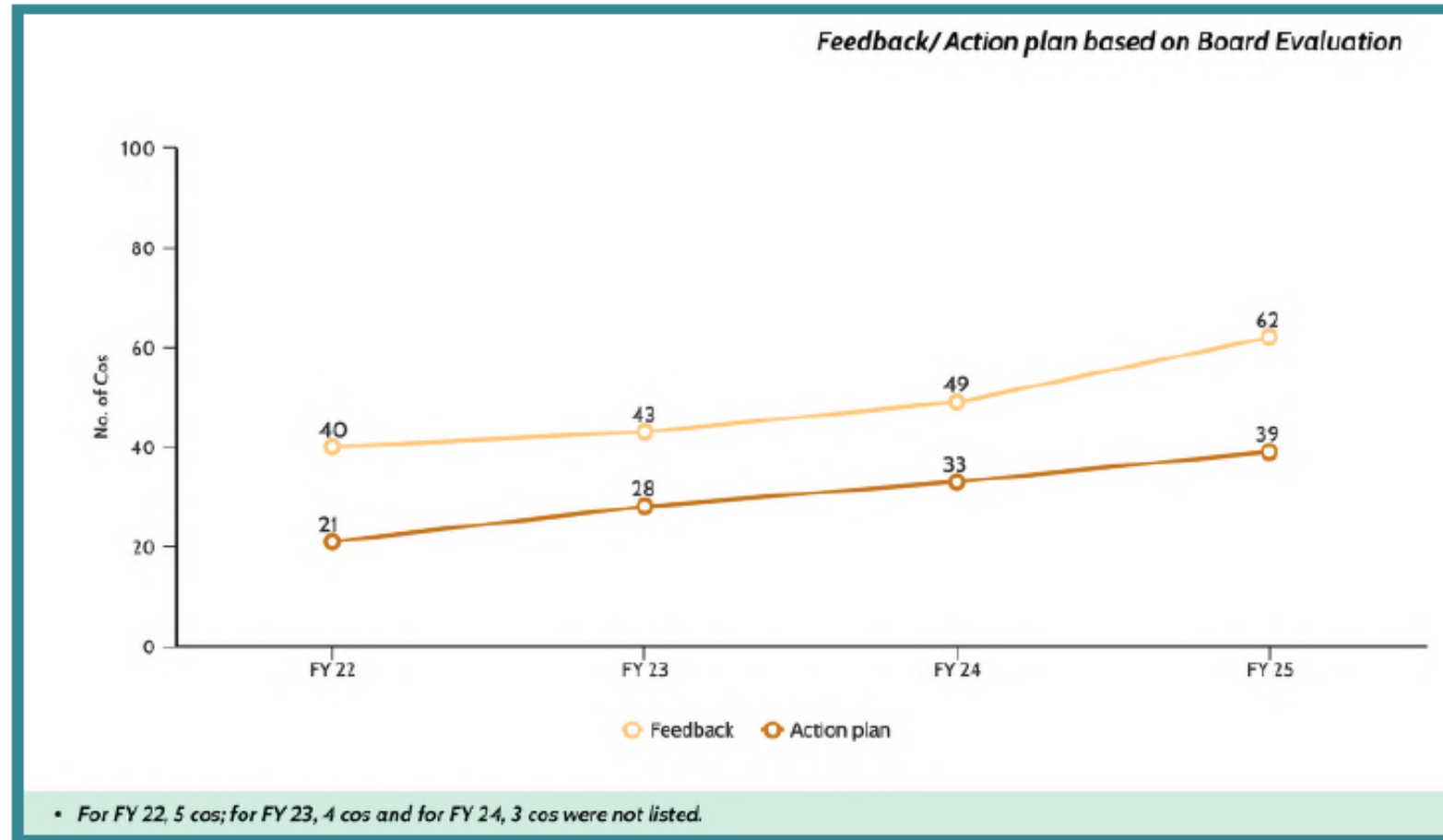
Top parameters for evaluation of Directors



- Same terminology or reasons as provided by cos have been used.
- Cos which have provided the parameters have been considered.
- For FY 23, 4 cos and for FY 24, 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.

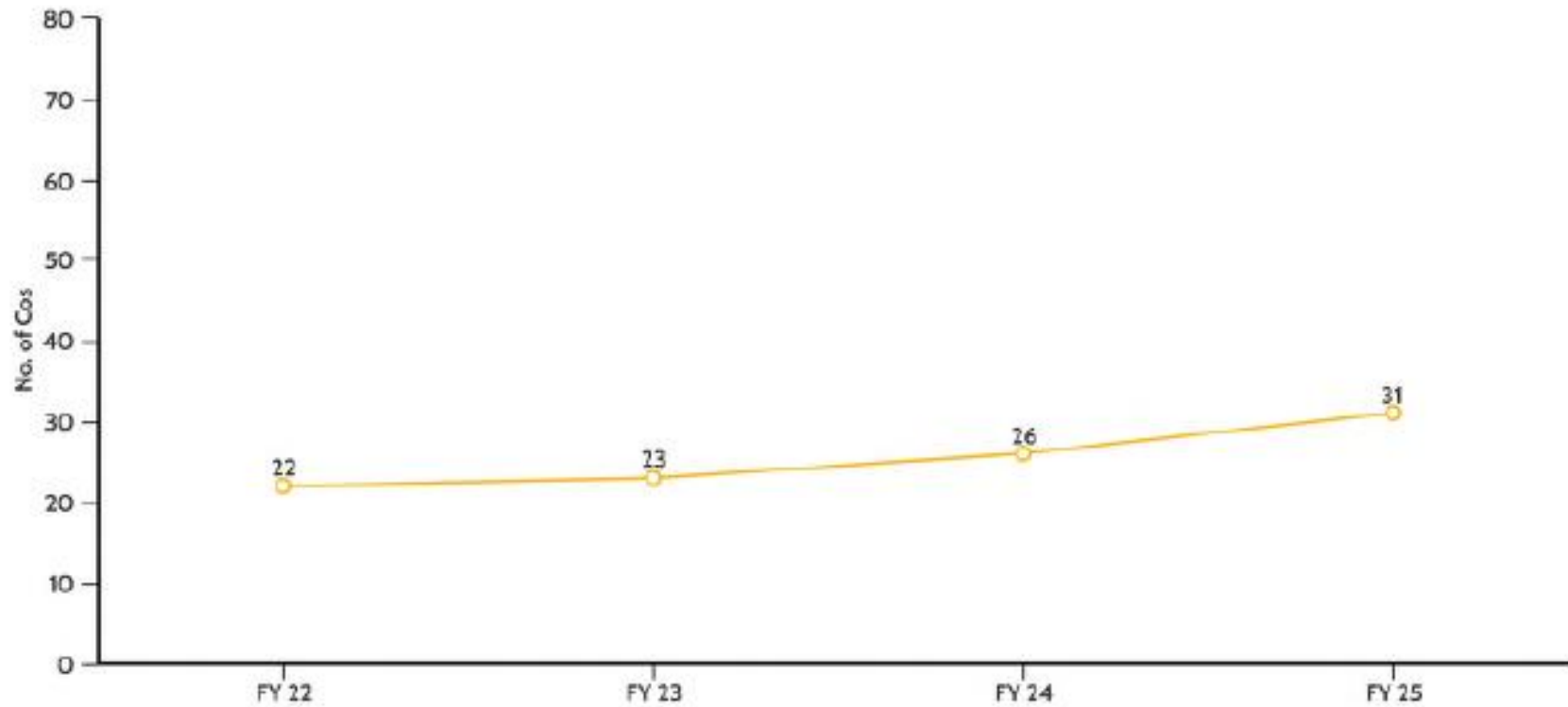


- In 4 FYs, 14 companies have disclosed that they provided feedback and drew up an action plan.

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

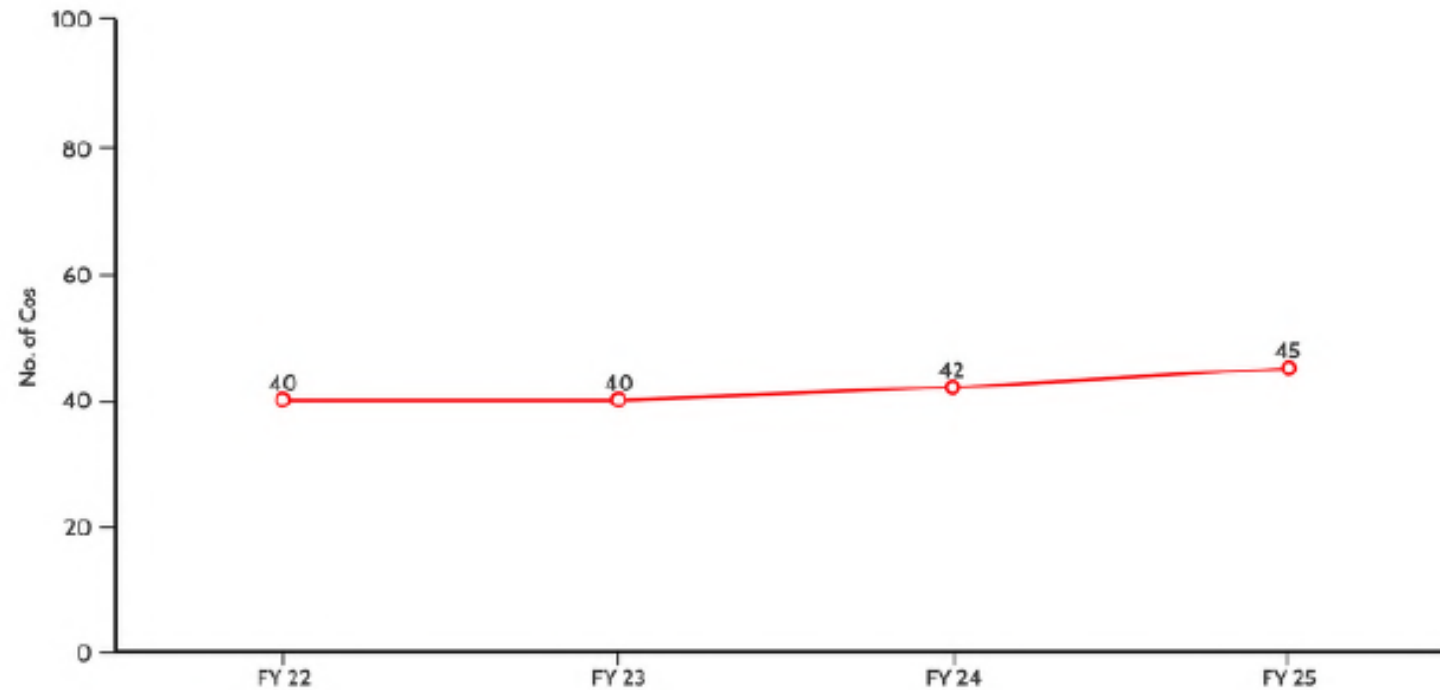


- For FY 22, 5 cos; for FY 23, 4 cos and for FY 24, 3 cos were not listed.

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. Absent an ATR, the Board would have no visibility on whether its decisions are being acted on.

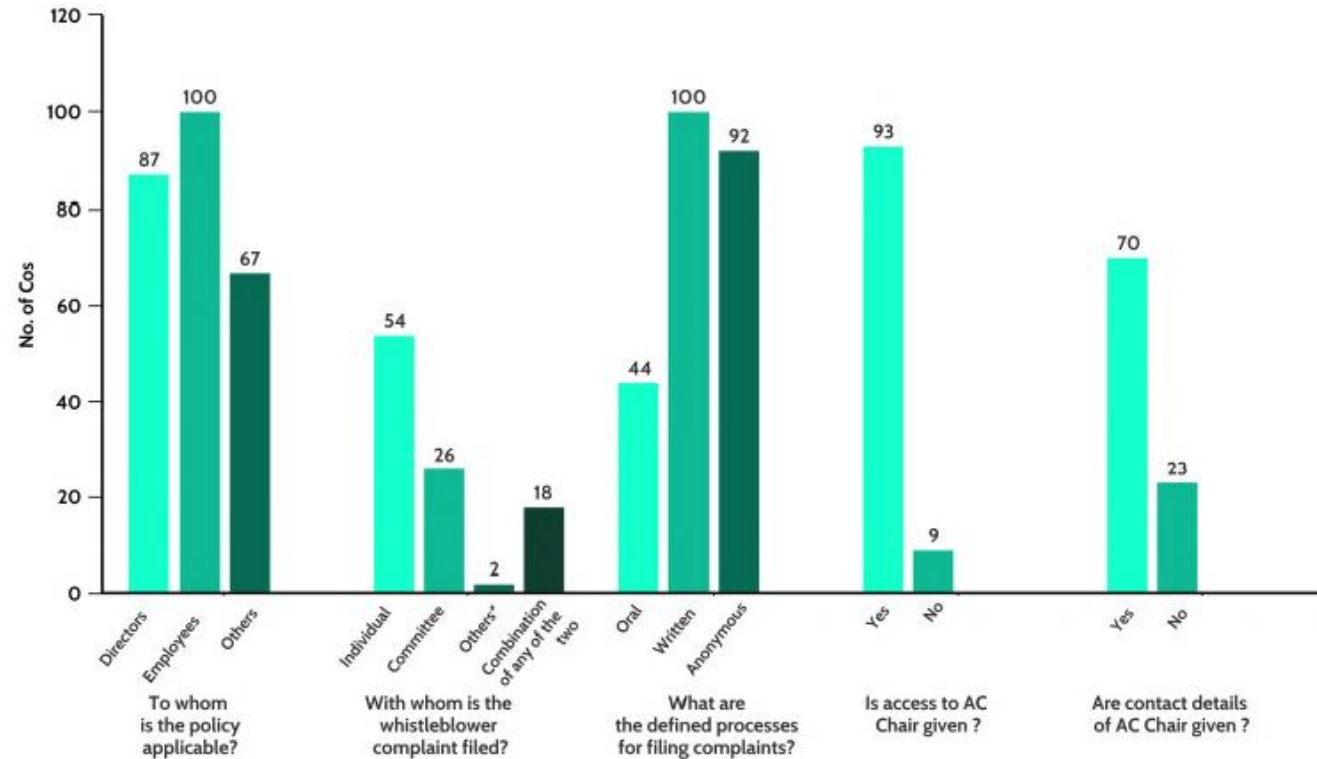
Reference to Action Taken Report in Annual Reports



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

VIGIL/ WHISTLEBLOWER MECHANISM

Content of Whistleblower Policy



*Others includes online portal, external firms, helpline etc.

- Out of 93 policies which provide an access to the Chair of AC,
 - 22 have given an email id and an address of the Chair of AC.
 - 49 have given an email id. Of these, 8 are general email ids.
 - 43 have given an address. Of these, 34 are company addresses.