

# More women in Indian boardrooms, but mainly as independent directors

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Information technology firm Cognizant may have appointed six women senior vice-presidents in its diversity push, but data suggests that regulatory mandates have a more pronounced impact on increasing participation.

The share of women occupying positions of independent director is higher than those in general directorship positions. Securities and Exchange Board of India (Sebi) regulations mandate that large listed companies have at least one woman as independent director.

Women account for 24.7 per cent of all independent directors, shows the latest available data from tracker primeinfobase.com. Their representation slips to 19.7 per cent for overall directorships (see chart 1).

Independent directors are those who are not linked to the company's owners. The Companies Act 2013 made it mandatory to have at least one woman director. The stock market regulator subsequently required that this director be an independent one for large listed companies. Diversity has consequently improved more in the independent director space.



The changes that came with the Companies Act have helped in raising the bar on representation. Women occupied only 6 per cent of boardroom seats in 2014, around the time the regulation was taking effect. This data for Nifty 500 companies comes from proxy advisory firm Institutional Investor Advisory Services (IIAS) with the Netherlands-based APG Asset Management Asia's November 2022 "Corporate India: Women on Boards" report. The figure rose to 18 per cent by 2022.

Most of India's major economic peers do not have a

mandatory target on women's representation, according to the report. This includes emerging markets like South Africa and developed countries like the UK and Japan. France and Germany have mandatory requirements. It is 30 per cent in Germany and 40 per cent in France (see chart 2).

Among the leading countries, France has 44.5 per cent women's representation in boardrooms, according to the report. And, women make for 28.6 per cent of the board in North America and 34.4 per cent in Europe, it said.

## UNDER 25% REPRESENTATION



Share of women among individuals who are directors

Share of women among positions occupied by directors

Note: Difference between individual and position share is because one person can occupy more than one director position

Source: primeinfobase.com, Business Standard calculations

## REGULATORY THRESHOLDS FOR KEY PEERS

Country	Threshold/target
France	40%
Germany	30%
Japan	12%
South Africa	Disclose targets
UK	Disclose targets
USA	At least two diverse board members
India	At least one independent woman director

Source: Corporate India - Women on Boards Report (IIAS, APG)