

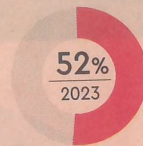
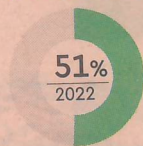
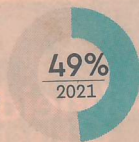
Board independence at 50%; gender diversity sluggish

While global best practices suggest that more than half the board must comprise independent directors, Indian regulations' mandate for board independence is driven by who chairs the board. Given that over 60% of listed companies within the Nifty 500 are family-owned, promoters tend to be board chairs, according to a report by liAS. Therefore, the average board independence of the Nifty 500 companies tends to be at about 50%.

Meanwhile, the number of women holding board directorships has doubled from the 5-6% level before the Companies Act ushered in the regulation to 11% within a year of its



Boards of the NIFTY 500 with independent directors having a board tenure of 10 years or more (As on March 31)



enactment in 2014. Since then, this number has no doubt increased, but progress has been sluggish.

Board seats of the NIFTY 500 held by women (As on March 31)

Mandatory one woman director on the board from April 1, 2014

Mandatory one woman Independent Director for top 500 companies from April 1, 2019



Note: the data above includes tenured independent directors

Source: PRIME database; liAS research