

# Even Cos Act Fails to Get Women Directors a Place on High Table

Almost half of NSE-listed cos have only 1 woman director, 41 cos do not even meet the mandate

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**Mumbai:** A decade after the Companies Act, 2013 made it mandatory for Indian companies to have at least one woman director on their boards, the needle has literally not moved beyond the 'unavoidable' mark to have a more fair representation of women on boards, which play a crucial role in keeping an eye on company management.

Data put together exclusively for ET by Primeinfobase shows that almost half (1,195) the companies out of 2,244 NSE-listed firms have only one woman director and 41 (including PSUs) do not even meet the mandate of one director.

According to the data, 262 companies have at least 3 or more women directors, 45 have four women directors, 12 companies have five women directors, only three companies have six women directors. However, 738 companies have indeed moved above the mandated one woman board member mark and have two women directors on their boards.

On an overall basis, the representation of women directors has increased to 20% of the total directors' pool as of January 2024 versus 15% about five years ago (March 2018), 16% in March 2019, and 19%

## Women In the Corner Room

Overall representation of women directors rose to 20% in Jan 2024 versus 15% in March 2018



According to the data out of the 2,244 NSE-listed firms:

- 1,195 have only 1
- 738 have 2
- 262 have 3 or more
- 45 have 4
- 41 have 0
- 12 have 5
- 3 have 6

(Number of women directors)

**Cos with the highest no of women directors:** Godrej Agrovet, Apollo Hospitals, Godrej Consumer Products - 6

in March 2023.

"The data reflects that a large number of companies in India is still meeting just the mandate of one woman director and are not making enough efforts to increase the representation," said Arun Duggal, chairperson of ICRA and an independent director on many boards.

"There is need for advocacy to increase this number. We should aim to have at least two independent women directors on boards," said Duggal. "We should start a campaign that any company that does not

have even one woman director, its existing directors will not get their stipulated commission. That's the approach that Norway had adopted to make its board complaint and India should also do that."

Companies with maximum number of women directors include: Godrej Agrovet (6), Apollo Hospitals (6), Godrej Consumer Products (6), Cummins India (5), Asian Paints (5), Colgate Palmolive (5), Piramal Enterprises (5), HCL Tech (5), AstraZeneca (5).

Says Asian Paints CEO Amit Syngle, "At

Asian Paints we now have four woman directors on the board from two a couple of years back. We feel that their presence brings more multi-dimensionality in thinking and adds to the dexterity of perspectives and a more holistic decision-making. At the same time, we feel, gender diversity at the top symbolises a clear messaging in deciding the overall diversity fabric of any organisation."

According to a recent Harvard research on "How Women Improve Decision-Making on Boards", women on boards improve the quality of discussions and their presence de-politicises the dialogue. Women directors come to board meetings well-prepared, are concerned with accountability, are not shy about acknowledging when they don't know something and are more willing to ask in-depth questions. The presence of women may indeed improve corporate governance and lead to better decision-making, according to the research.

"We can look at the data in two ways – either you see it as glass half empty or glass half full. I believe even having one woman board member can add significant value to boards," said Monica Agrawal, MD-financial services, Asia Pacific, India lead, board services, Korn Ferry.