

Despite Law, Women Directors Don't Get Fair Share at High Table

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

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Companies with the maximum number of women directors on boards: 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) and AstraZeneca's Indian arm (5)

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 barely moved beyond the mandatory compliance threshold, with several state-run companies leading the unenviable list of diversity stragglers.

Data put together exclusively for ET by Primeinfobase showed 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 three or more women directors, 45 have four women directors, 12 companies have five women directors, and 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 di-

rectors 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% in March 2023.

"The data reflects that a large number of companies in India are still just meeting the legal 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 a need for advocacy to increase this number. We should aim to have at least two independent women directors on boards," said Duggal.

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ducts (6), Cummins India (5), Asian Paints (5), Colgate Palmolive (5), Piramal Enterprises (5), HCL Tech (5) and AstraZeneca's Indian arm (5).

A NORDIC SOLUTION?

"We should start a campaign that existing directors will not get their stipulated commissions in a company that does not have even one woman director," said Duggal. "That's the approach that Norway had adopted to make its boards compliant and India should also do that."

The presence of women directors helps companies broaden their thinking, helping build competitive advantage in a market where the role of women in deciding consumption patterns is becoming more promi-

nent than ever.

"At Asian Paints, we now have five women directors on the board from two a couple of years ago," said Asian Paints CEO Amit Syngle. "We feel that their presence brings more multi dimensionality in thinking and adds to the dexterity of perspective and a more holistic decision making. At the same time, we feel gender diversity at the top symbolizes a clear messaging in deciding the overall diversity fabric of any organisation."

Recent Harvard University research showed women help improve the quality of discussions and their board presence de-politicizes 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, according to the study.

"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, managing director-financial services, Asia Pacific, India Lead, board services, Korn Ferry.

"In fact, more and more companies are now looking to have two or more women directors. The talent pool should not be any longer a challenge for companies looking to appoint qualified women to their boards."