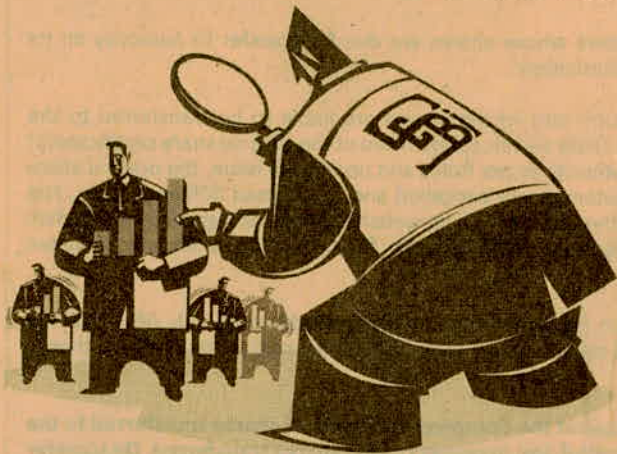


# INDIA INC BOARDROOM SCORECARD ON CORPORATE GOVERNANCE



On March 28, 2018 the Sebi board had approved 40-odd proposals of the Uday Kotak-headed Committee on Corporate Governance. A year on, corporate India is yet to comply with some of the key recommendations, especially those related to the board of directors, data by NSEinfobase.com, an offering of PRIME Database, a primary market tracker, shows.

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## Woman independent directors

**SEBI DECISION:** At least one woman independent director in the top 500 listed entities (by market capitalisation) by April 1, 2019 and in the top 1,000 listed entities by April 1, 2020

### IMPACT

#### March 28, '18

- 155 firms of top 500 NSE-listed entities (by m-cap) needed to appoint a woman independent director by April 1, 2019
- There were 336 firms, of top 1,000 NSE listed entities, that need to appoint a woman independent director by April 1, 2020

#### April 2, 2019

- 52 companies in the top 500 still need to appoint an independent woman director
- For top 1,000 NSE-listed companies, the number is down to 212

## Age of non-executive directors

**Sebi decision:** Firms having non-executive directors who are 75 years or older have to pass a special resolution for them to continue

### IMPACT

#### March 28, 2018

- There were 1,162 directors in 698 firms who were 75 years or older

#### April 2, 2019

- 1,026 directors in 614 companies were 75 years or older

Of these 614 firms, 257 have passed special resolutions for 463 directors, all of which were passed. Outcomes of such special resolutions for 15 other firms having 26 directors are still pending

## Number of directors

**Sebi decision:** Minimum six directors in the top 1,000 listed entities by April 1, 2019 (and in the top 2,000 listed entities by April 1, 2020)

### IMPACT

#### March 28, 2018

- There were 65 firms in the top 1,000 listed entities that needed to increase the size of their board. At that time, there were 55 firms that had five directors, eight with four and two having three directors on their board. At that time 76 new directors had to be appointed in these firms

#### April 2, 2019

- There were still 35 firms in the top 1,000 listed entities that needed to increase the size of their board. 29 firms had five directors; five had four and one had two directors on its board. As such, 43 new directors have to be appointed in these firms

## Number of directorships

**Sebi decision:** Reduction in the maximum number of listed entity directorships from 10 to eight by April 1, 2019 and to seven by April 1, 2020

### Impact

#### March 28, 2018

- According to the Companies Act, 2013, and Sebi regulations that were already in place, there were only 2 directors who had to reduce listed entity directorships to eight by April 1, 2019 and 3 directors who had to reduce listed entity directorships to seven by April 1, 2020

#### April 2, 2019

- There was no director who still had more than eight directorships while there were four directors with more than seven.

## Roles of chairperson & MD/CEO

**Sebi decision:** Separation of CEO/MD and chairperson (initially made applicable to the top 500 listed firms from April 1, 2020)

### Impact

#### March 28 2018

- There were 165 firms of top 500 NSE-listed entities that had the same person as chairperson and MD and CEO and needed to segregate the roles by April 1, 2020

#### April 2, 2019

- This number is down to 154