

Gender inclusivity still a distant dream in India Inc's boardrooms

NOT ON. 452 listed firms penalised for not appointing women directors in last 6 years

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Gender inclusivity is a distant dream in India Inc's boardrooms. Between April 2018 and December 2023, ₹27 crore has been collected as fines from companies for not appointing at least one woman to their boards. Data from the Ministry of Corporate Affairs show that 507 companies were penalised in that period. Close to 90 per cent of them, 452 companies, are listed entities.

Among non-listed entities, 81 were penalised between FY16 and December 2023. Cumulatively, they paid a fine of ₹1.41 lakh.

LOW PROPORTION

Despite the Act being implemented more than a decade ago, various datasets show that men continue to dominate the boardrooms. A study by Excellence Enablers noted that as of March 2022, 18 per cent of the total directors and 25 per cent of independent directors were women.

"As of March 2022, only 48.6 per cent of Nifty 500 companies had two or more women directors," said Mayank Arora, Director, Nangia Andersen India. "It is important for listed companies to appoint women directors as it directly impacts the company's ESG score, which is a determinant of governance norms," he added.

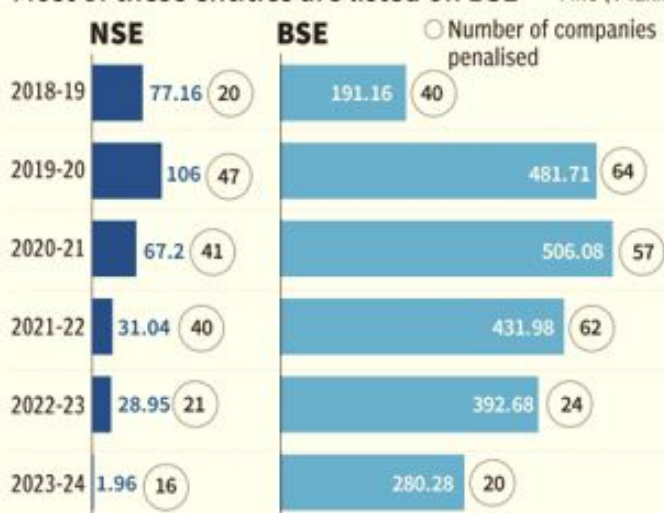
Saundarya Rajesh, Founder and President, Avtar Group, said that the government penalising companies for not appointing woman directors itself is a strong message sent out, adding that compliant companies can be incentivised.

She agreed that the number of women experienced and qualified for directorial positions was restricted to just a handful

Boardrooms with no women

452 In 6 years, 452 listed entities penalised for not appointing a woman director

Most of these entities are listed on BSE *Fine (₹ lakh)*



Since FY16, SEBI has penalised 81 non-listed companies



Source: MCA, Lok Sabha.

DATA FOCUS.

This was revealed by Finance and Corporate Affairs Minister Nirmala Sitharaman in Parliament while responding to a question by CPI(M) MP S Venkatesan. Per the second provision to Section 149(1) of the Companies Act, 2013, every listed company and every unlisted public company having a paid-up share capital of ₹100 crore or more or having a turnover of ₹300 crore or more must appoint at least one woman director.

FY22 saw the most penalisation of companies for not appointing a woman director — 114. The number was, however, 54 in FY23 and 56 in FY24, until December 2023.

of industries such as IT and banking, but added that "With concerted effort, we can create a talent

pool of such women who can be deployed in different industries in the next couple of years."