



Deciphering the Indian Boardroom: Russell Reynolds' 2023 Board Analytics and Insights



Executive Summary:

Key findings from RRA's inaugural analysis of board demographics for India's top 200 NSE listed corporations.

Board composition and effectiveness go hand in hand. Numerous factors contribute to a board's success, including expertise, diversity, independence, and age. However, India's boards have not been studied to the same extent as their counterparts.

To remedy this and better understand the composition of India's top boards, Russell Reynolds Associates launched its inaugural India Board Analytics & Insights Report. This analysis of the board structure and governance practices of the top 200 National Stock Exchange (NSE) examined listed companies in India (referred to as the Top 200* henceforth), and compared these demographics to other applicable leading markets globally.

Here's what we learned.

*Russell Reynolds Associates analyzed the top 200 listed companies from the National Stock Exchange of India Limited (NSE) companies, collecting data in September of 2023. Public sector enterprises (wholly or partially government owned) were excluded from this analysis.

Quick Facts: Board Demographics for India's Top 200

61

Average board member age

10.2

Average board size

1.24

Average board memberships

19%

of board members are women

54%

of board members are independent

Source: Russell Reynolds Associates' NSE Top 200 board analysis, data collected from [Prime Infobase.in](https://www.primeinfobase.in) in September 2023, n = 1,639 unique directors analyzed

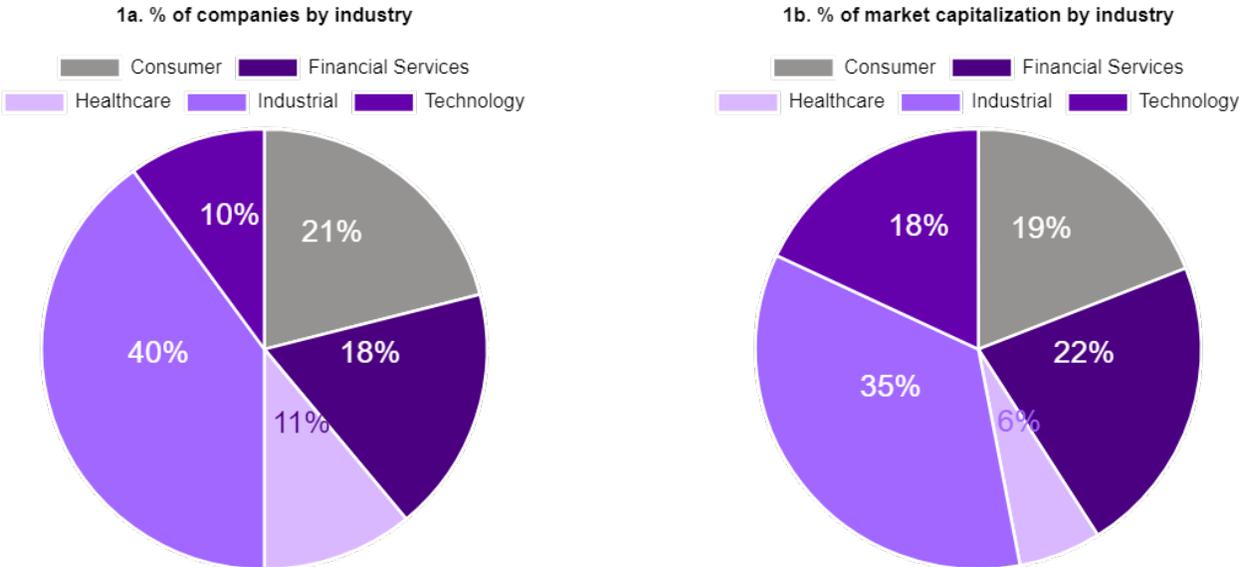


Industries and Market Capitalization for India's Top 200

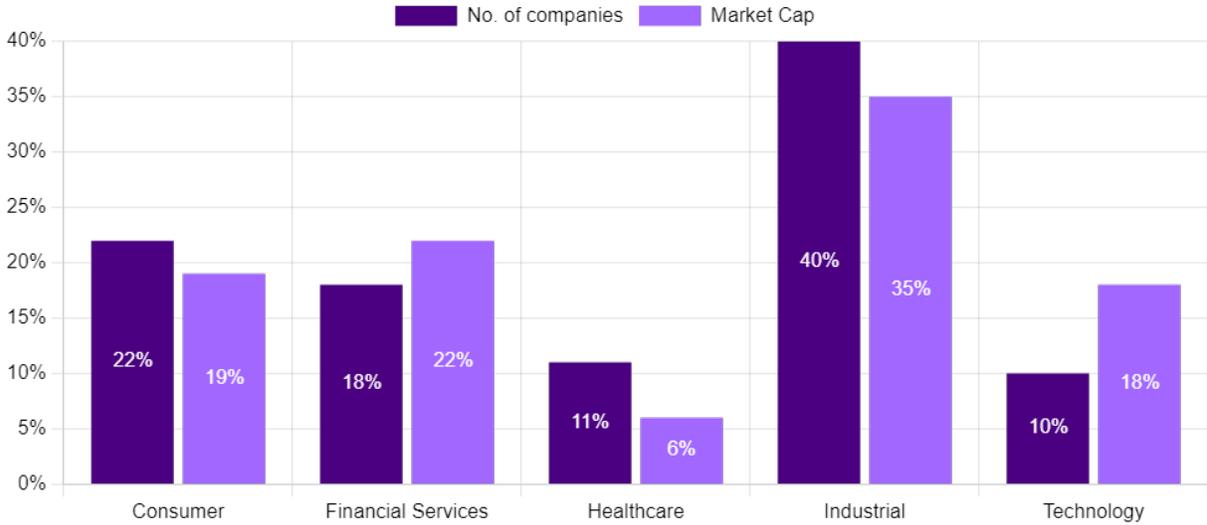
The Top 200 NSE companies represent more than 80% of the total market capitalization of all listed companies in India.

In terms of number of companies, the industrial sector represents 40% of the Top 200. However, on average, technology companies have the highest market capitalization—18%—despite representing only 10% of the Top 200. On the other hand, healthcare companies have the smallest market capitalization at 6%, even though these represent 11% of the Top 200 (Figures 1a-1c).

Figures 1a-1c: Top 200 companies vs. market capitalization by industry



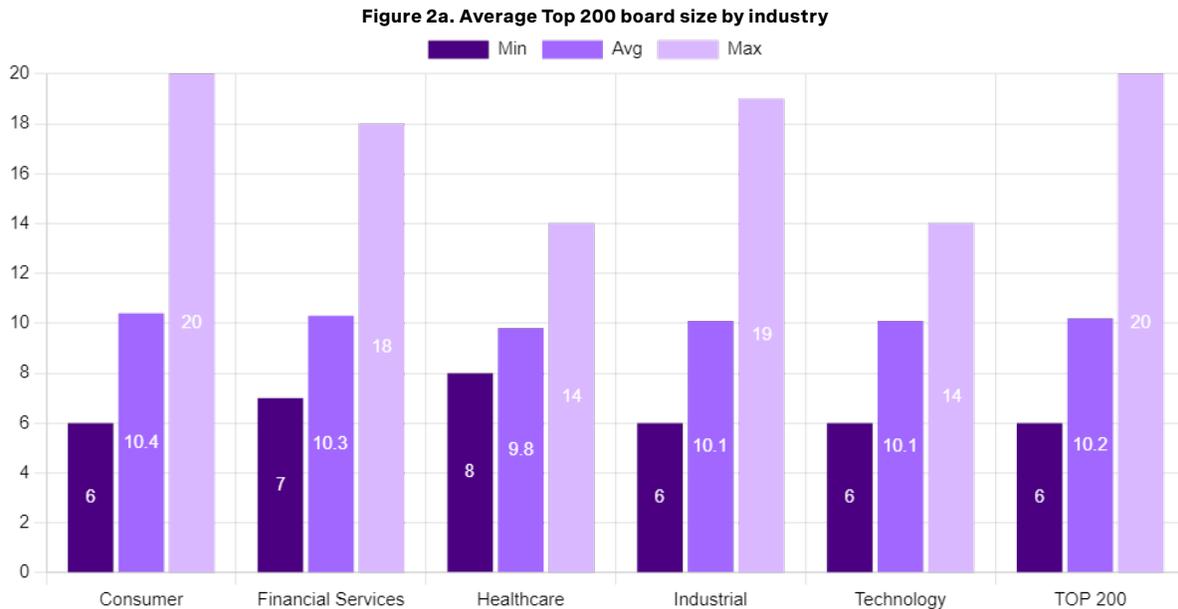
1c. Companies vs. market capitalization by industry



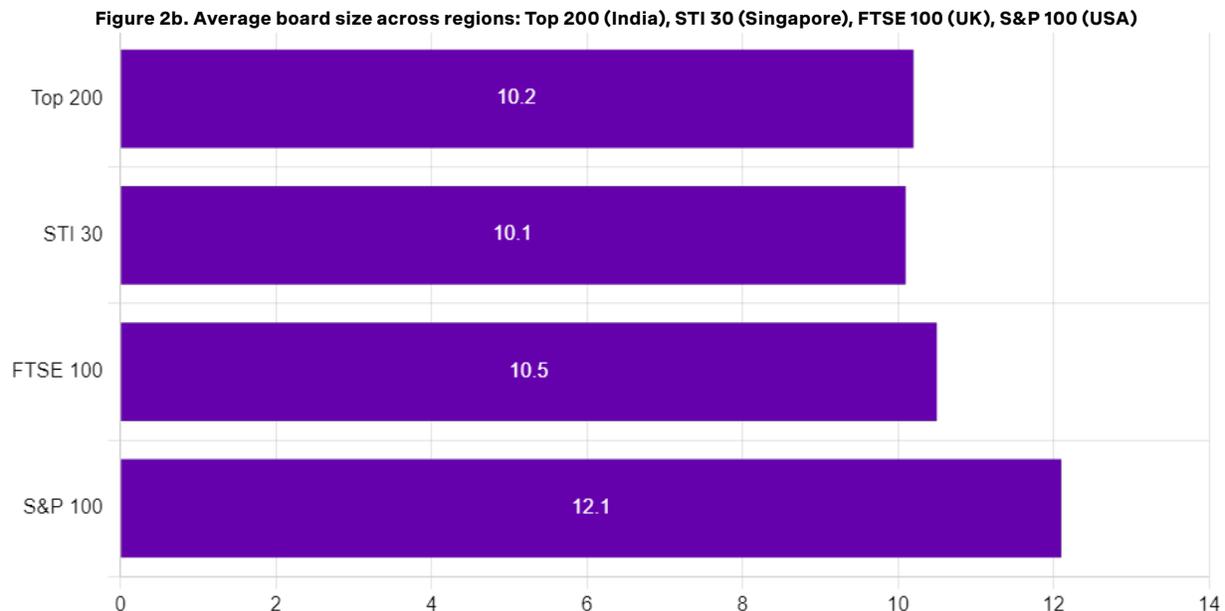
Source: Russell Reynolds Associates' Top 200 board analysis, data collected from [Prime Infobase](#) in September 2023, n = 200

India Board Size and Independence: How does India compare to other countries?

Board sizes in India are consistent across industries, typically ranging from 9.8 to 10.4 board members and with an average of 10.2 (Figure 2a). This is largely consistent with the board sizes observed in the FTSE 100 (10.5 members on average) and STI 30 (10.1). However, the S&P 100 index differs, as it typically features larger boards (12.1) compared to the Top 200 (Figure 2b).



Source: Russell Reynolds Associates' NSE Top 200 board analysis, data collected from [Prime Infobase](#) in September 2023, n = 200



Source: Russell Reynolds Associates' NSE Top 200 board analysis, data collected from [Prime Infobase](#) in September 2023, n = 1,639; S&P 100 board analysis, data collected in September 2023, n = 1,205; STI 30 board analysis, data collected in September 2023, n = 303; FTSE 100 board analysis, data collected in September 2023, n = 1,051.

Board members in the Top 200 are less likely to hold multiple board roles. In India, 84% of board members hold a single listed company board role, and just 5% serve on three or more boards. However, 21% of board members in FTSE 100,

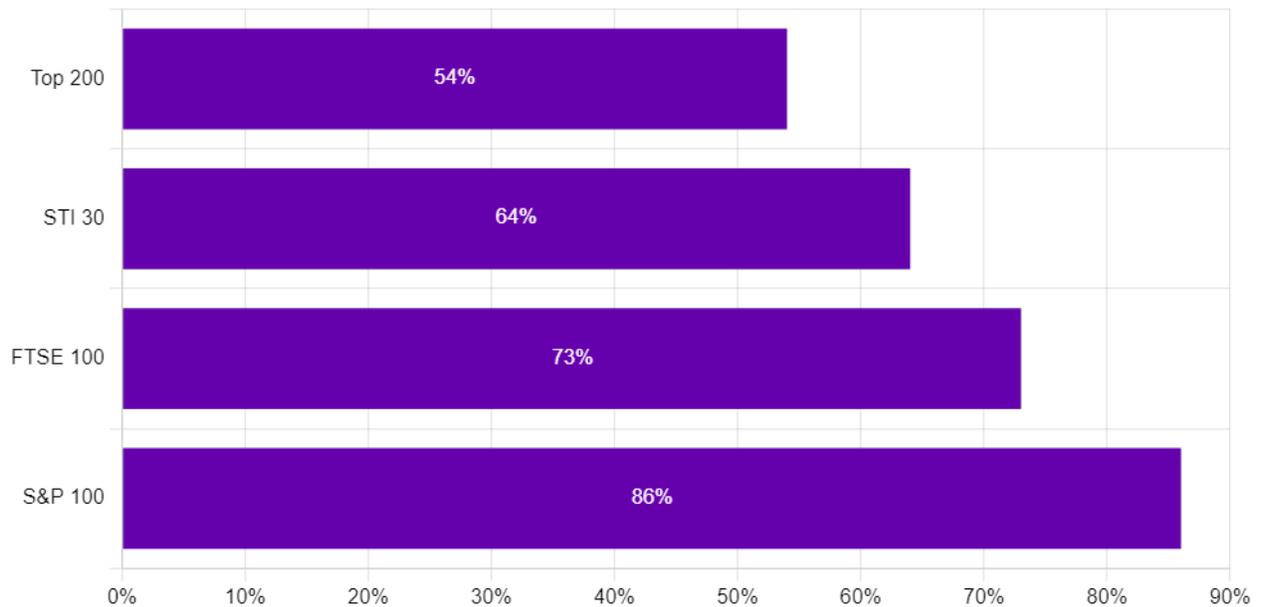
28% of members in the S&P 100, and 28% of members in the STI 30 hold 3+ board roles. (Note this data contains board memberships from within the sample group.)

Compared to other geographies, Top 200 boards are less independent

In India, listed entities have a combination of executive and non-executive directors on their boards. Boards must be comprised of at least 50% independent directors if the chair is an executive director, and one-third if the chair is an independent director ([OECD, 2021](#)). This is in stark contrast to the UK and US, where listed entities must have a minimum of 50% independent directors, excluding the chair.

The differences in legislation have had significant consequences across the Top 200, as it has resulted in a much lower share of independent directors—54%. This is notably lower than their counterparts in the UK and US, where 73% of FTSE 100 directors and 86% of S&P directors are independent (Figure 3).

Figure 3. % of Independent directors across regions: Top 200, STI 30, FTSE 100, S&P 100



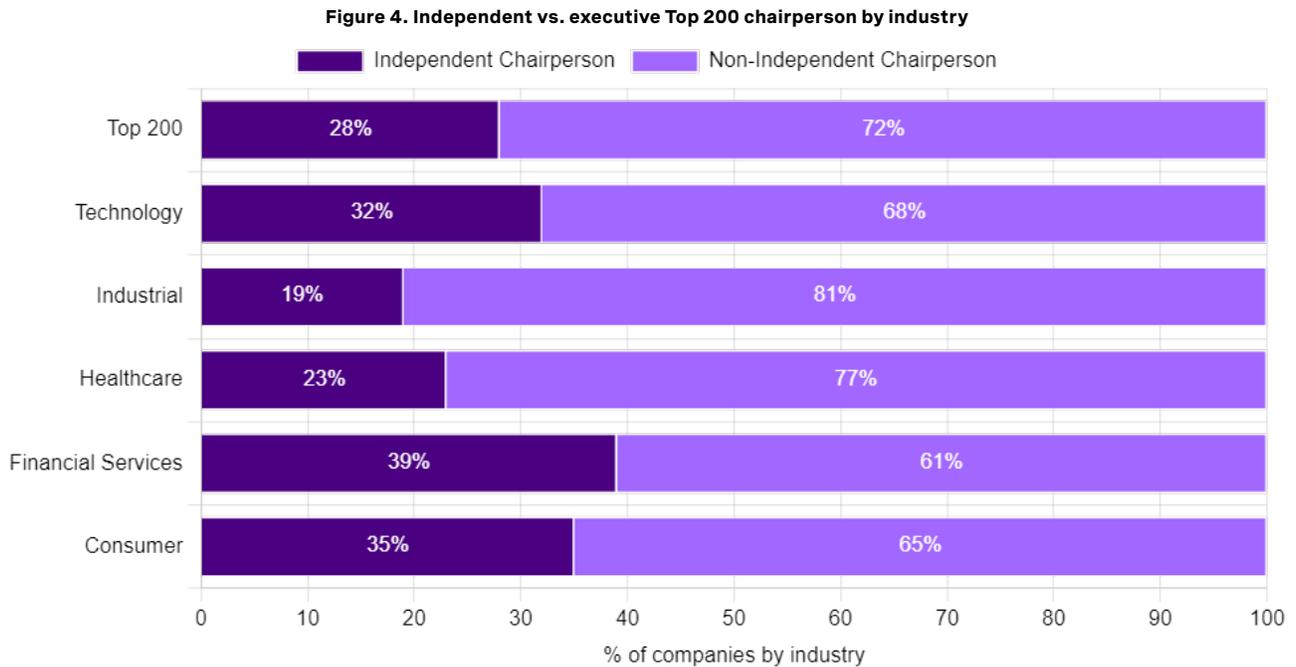
Source: Russell Reynolds Associates' NSE Top 200 board analysis, data collected from [Prime Infobase](#) in September 2023, n = 1,639; S&P 100 board analysis, data collected in September 2023, n = 1,205; STI 30 board analysis, data collected in September 2023, n = 303; FTSE 100 board analysis, data collected in September 2023, n = 1,051



More than one fourth of Top 200 organizations have an independent chair

In February 2022, in response to widespread pushback and a lack of compliance, the Securities and Exchange Board of India (SEBI) amended its regulations that mandated organizations to separate the chair and CEO roles, making it a voluntary requirement.

Despite the change, approximately 28% of the Top 200 organizations have an independent chair (Figure 4). Notably, the industrial and healthcare sectors are lowering this average.



Source: Russell Reynolds Associates' NSE Top 200 board analysis, data collected from [Prime Infobase](#) in September 2023, n = 200





Top 200 Gender Diversity Findings

India's boards are farther from achieving gender parity than their global counterparts

Despite India's standing as one of the first Asian markets to adopt a quota to promote gender diversity, the Top 200 is far from gender parity, with women holding only 19% of its board seats. While none of the regions we examined have achieved gender parity, the Top 200 is the farthest from this goal. The FTSE 100 is closest, with women holding 42% of its board seats. This has been achieved without mandatory quotas, but rather voluntary targets (of at least 33% women's representation on FTSE 100 boards by 2020) set by the [Hampton-Alexander Review](#).

Figure 5. Board gender diversity comparison across regions: FTSE 100, S&P 100, STI 30, Top 200



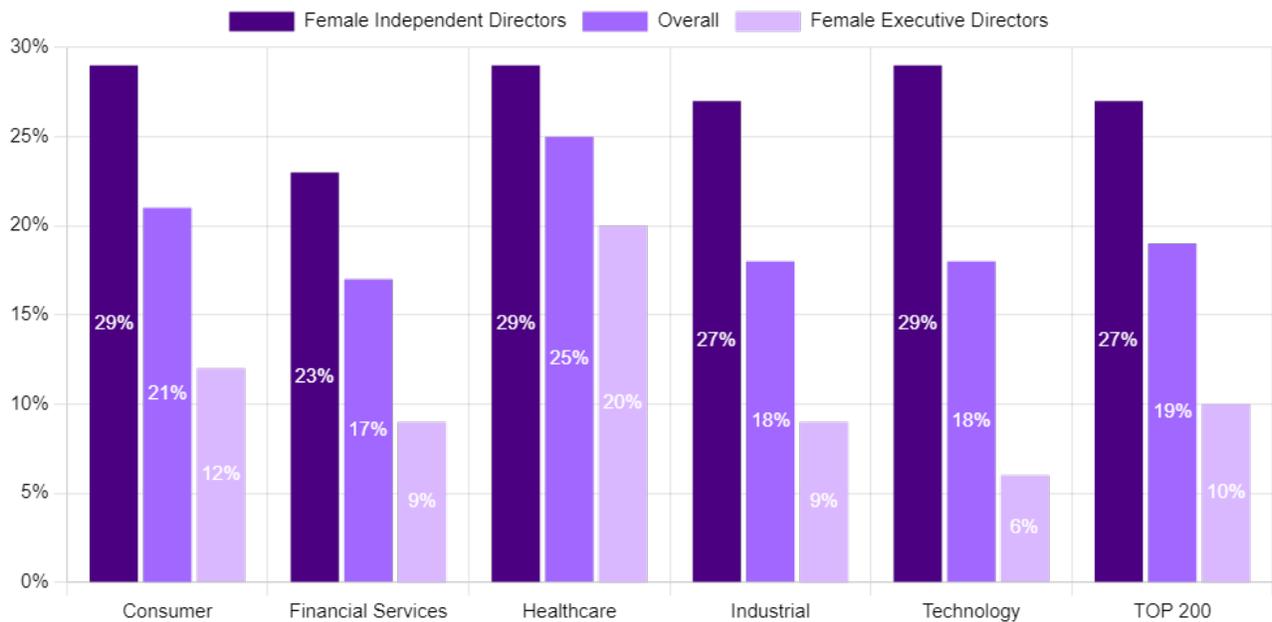
Source: Russell Reynolds Associates' NSE Top 200 board analysis, data collected from [Prime Infobase](#) in September 2023, n = 1,639; S&P 100 board analysis, data collected in September 2023, n = 1,205; STI 30 board analysis, data collected in September 2023, n = 303; FTSE 100 board analysis, data collected in September 2023, n = 1,051

While lacking in gender diversity, Top 200 boards are more likely to consider external women directors

Due to regulators imposing a requirement of at least one independent woman director on a listed board, the proportion of independent women directors (27%) is significantly higher than executive women directors (10%) (Figure 6). From an industry perspective, Top 200 healthcare boards are the most gender diverse for both

independent and executive directorships, as one out of four board members overall are women. That said, we see the representation gap between independent and executive directors in every industry, with women executive directors holding only 9% of financial services and industrial board seats and a mere 6% of technology boards seats.

Figure 6. Board gender diversity in India's Top 200 - independent vs. executive women directors



Source: Russell Reynolds Associates' NSE Top 200 board analysis, data collected from [Prime Infobase](#) in September 2023, n = 394 women directors

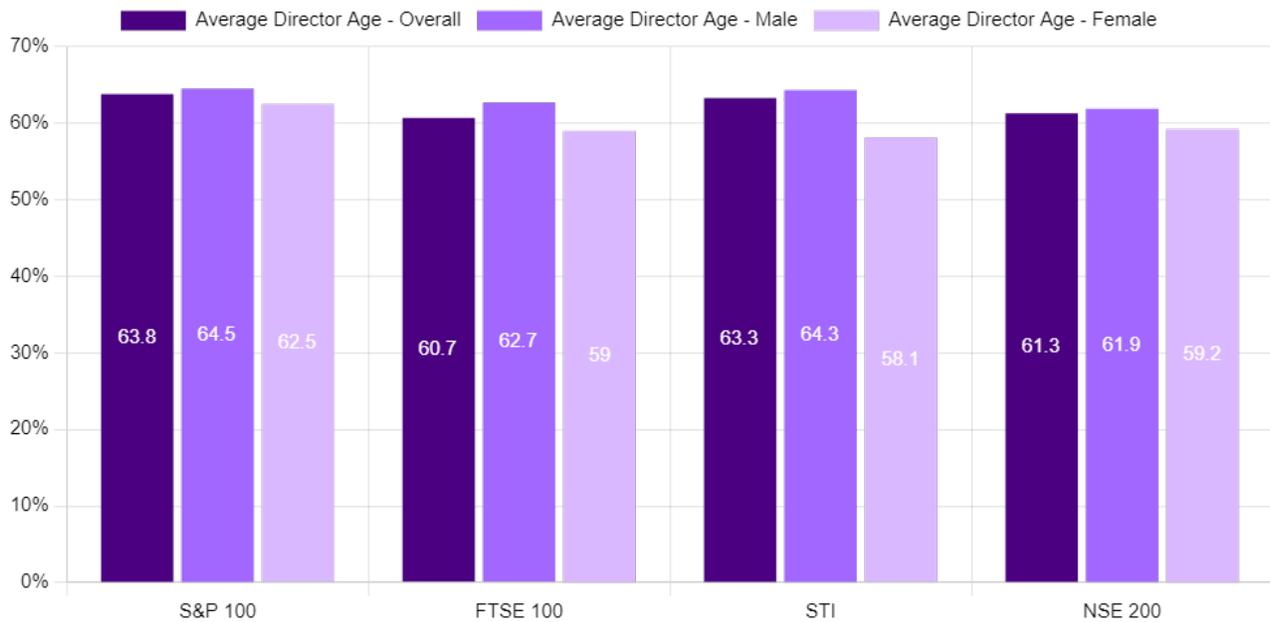


Women board members in India are slightly younger than their male counterparts

As stakeholders—including investors, customers, and employees—increasingly expect organizations to have diverse and inclusive leadership teams, women are slowly gaining a larger representation on Top 200 boards. The Top 200 has seen a notable shift in hiring women board members - in particular, younger talent. The average age of women board members is 59, whilst for men it is 62 (Figure 7).

We observe similar age gaps between men and women board directors in other geographies as well, with the largest gap occurring in the STI 30 (where men directors are, on average, 6.2 years older than women directors), and the smallest in the S&P 100 (men are 2 years older, on average).

Figure 7. Comparison of average director ages across regions by gender: S&P 100, FTSE 100, STI 30, Top 200



Source: Russell Reynolds Associates' NSE Top 200 board analysis, data collected from [Prime Infobase](#) in September 2023, n = 200; S&P 100 board analysis, data collected in September 2023, n = 100; ST30 board analysis, data collected in September 2023, n = 30; FTSE 100 board analysis, data collected in September 2023, n = 100





Top 200 Committee Chair Demographics

In the Top 200, we observe the most gender diversity within CSR committees chairs, with 28% of these roles being held by women. Nomination and remuneration committee (NRC) chairs were a close second, with women holding 26% of these chair roles. Conversely, only 10% of audit chairs are women. While there is work to do across the board in improving gender diversity, these chair roles will require the most focused effort to achieve parity.

Amongst NRCs, the consumer sector has made the most progress towards gender diversity, boasting of 37% committees with a woman chair.

We observed similar trends across Europe, where the increased presence of women in leadership roles within committees resulted in a robust pipeline of highly qualified candidates for future board chair positions. This suggests that companies in the Top 200 are on a similar path and that the top leadership roles are slowly becoming more accessible for women. This boost in talent would be highly beneficial for achieving gender parity for board chairs, as just 7% of these roles are held by women.

Figure 8. Top 200 committee chair demographics snapshot

Industry	Ave. age of board chair	Board chair gender diversity (% women)	Ave. age of Audit chair	Audit chair gender diversity (% women)	Ave. age of NRC chair	NRC chair gender diversity (% women)	Ave. age of CSR chair	CSR chair gender diversity (% women)
Consumer	65	5%	67	9%	67	37%	63	21%
Financial Services	64	3%	67	6%	68	19%	61	25%
Healthcare	71	18%	68	9%	67	23%	67	36%
Industrial	65	5%	68	9%	66	21%	66	29%
Technology	63	11%	67	26%	65	32%	58	32%
TOP 200	65	7%	67	10%	67	26%	64	28%

Source: Russell Reynolds Associates' NSE Top 200 board analysis, data collected from [Prime Infobase](#) in September 2023, n = 200

One out of five audit committee chairs come from an accounting firm background

The lack of accounting expertise within the audit committee chair talent pool is quite surprising, given the prevalence of accounting experience among audit chairs in other parts of the world. This may be happening because, in India, there is a strong preference for former CFOs to occupy audit chairs, as they bring strong operating knowledge and hands on experience, which a partner from an accounting firm may not bring to the table.

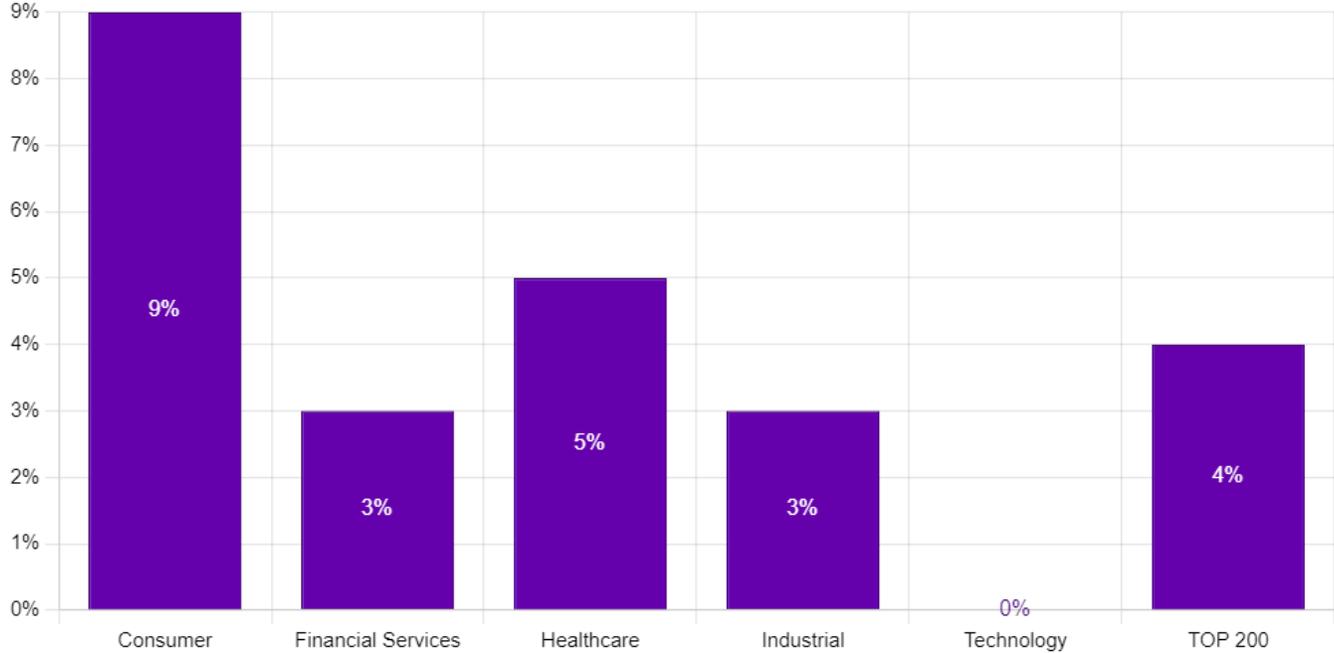
19%
of Top 200 audit committee chairs come from an accounting firm background

Nomination and remuneration committee chairs in India lack a critical component: CHRO experience

Only 4% of Top 200 companies have an NRC Chair who has formerly been a CHRO. In particular, the technology industry does not have a single NRC chair with CHRO experience (Figure 9).

Given the human capital focus of the NRC, these chairs should bring a solid awareness of C-suite succession planning, ESG integration, culture, and DE&I targets—as well as how to incorporate these levers successfully into organizational strategy. Those without human resources expertise might not be able to adequately deal with these issues at the board level.

Figure 9. NRC chair with CHRO experience



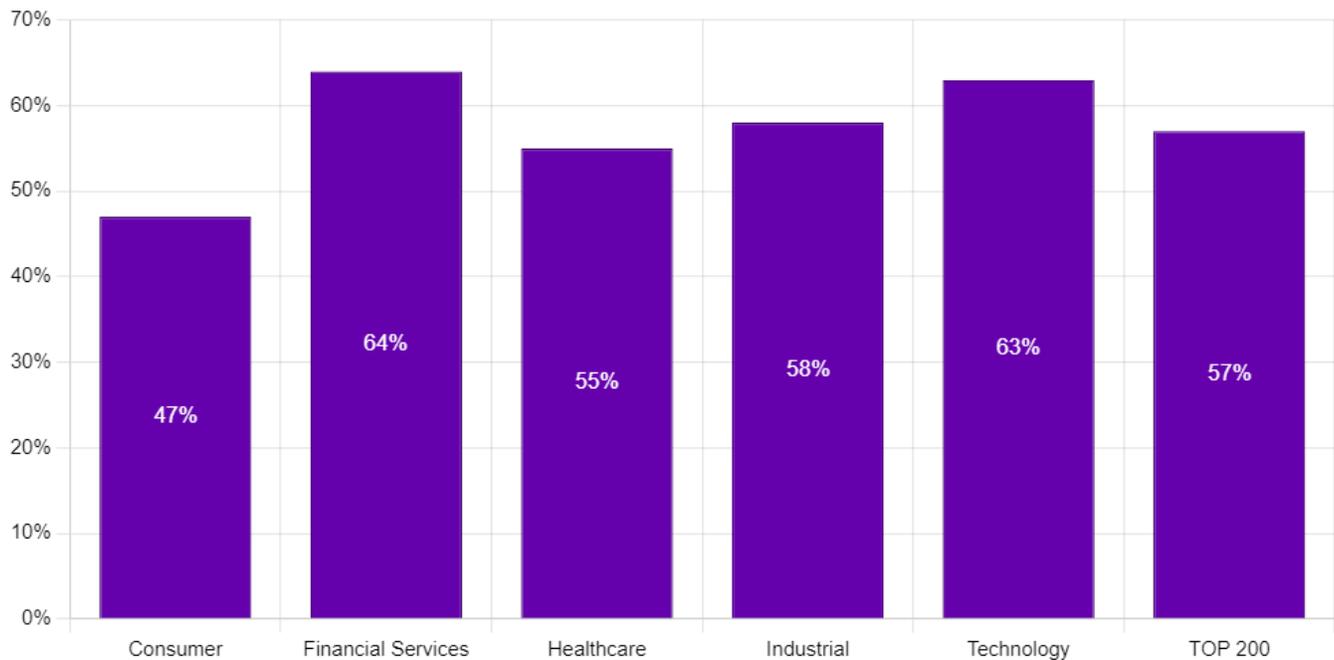
Source: Russell Reynolds Associates' NSE Top 200 board analysis, data collected in September 2023, n = 200

Almost three out of five CSR committee chairs are independent directors

India is amongst very few countries worldwide that have made CSR spend mandatory for corporates above a certain financial threshold. In 2022, NSE listed companies spent almost \$2 billion USD on social causes.

As such, strong governance within this committee is becoming increasingly important, given the large CSR budget in the corporate world. Currently, 57% of CSR committee chairs are also independent directors. The financial services industry has the most independent CSR chairs at 64%, and consumer industry has the lowest representation at 47% (Figure 10). Also noteworthy: 26% of board chairs in the Top 200 are also CSR committee chairs, highlighting the importance of this role.

Figure 10. CSR chair as independent directors



Source: Russell Reynolds Associates' NSE Top 200 board analysis, data collected in September 2023, n = 200

Looking forward: The future of India's Top 200 boards

In a rapidly changing business landscape, the role of non-executive directors is vital in ensuring effective governance. We hope that this inaugural report helps illuminate the demographics and trends within India's top boards, and will be leveraged to lead organizations in the region to continued success.



Authors

Sanjay Kapoor leads Russell Reynolds Associates' Board & CEO Advisory in India. He is based in Gurgaon.

Amit Jaiswal is a member of Russell Reynolds Associates' Board & CEO Advisory. He is based in Gurgaon.

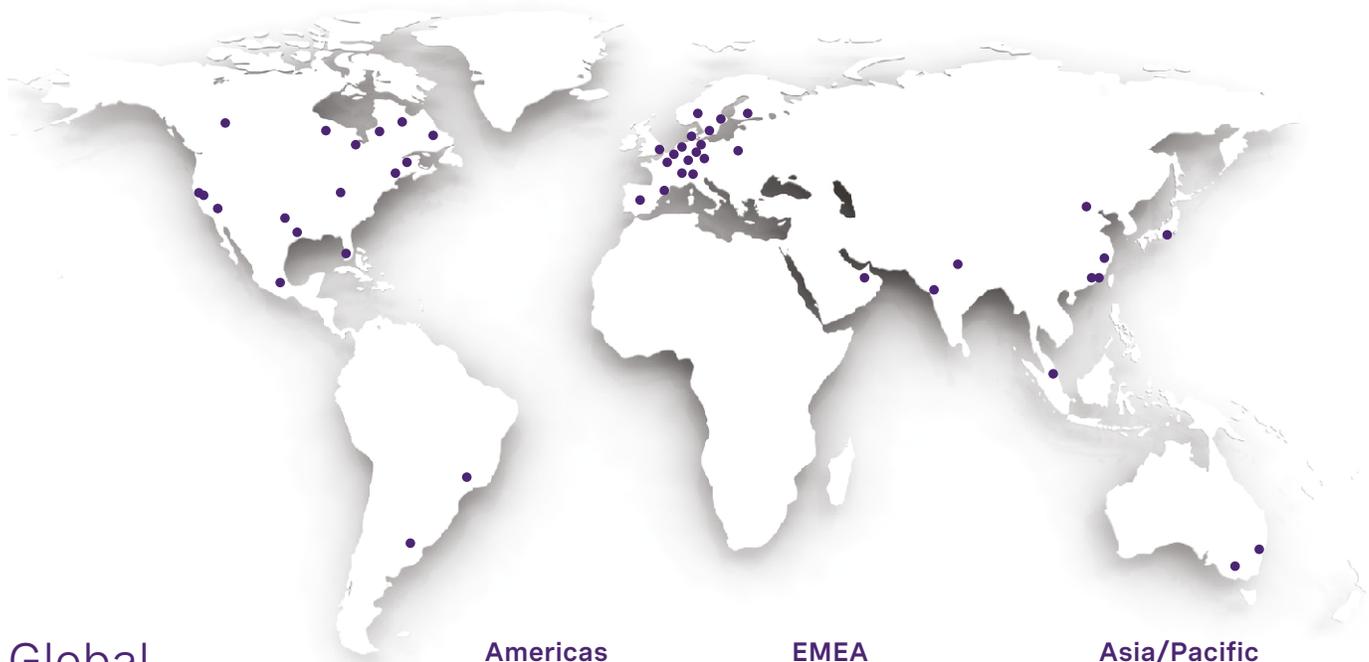
Leah Christianson is a member of Russell Reynolds Associates' Center for Leadership Insight. She is based in San Francisco.

Martin Gunn is a member of Russell Reynolds Associates' Board & CEO Knowledge team. He is based in London.

About Russell Reynolds Associates

Russell Reynolds Associates is a global leadership advisory firm. Our 600+ consultants in 47 offices work with public, private, and nonprofit organizations across all industries and regions. We help our clients build teams of transformational leaders who can meet today's challenges and anticipate the digital, economic, sustainability, and political trends that are reshaping the global business environment. From helping boards with their structure, culture, and effectiveness to identifying, assessing and defining the best leadership for organizations, our teams bring their decades of expertise to help clients address their most complex leadership issues. We exist to improve the way the world is led.

www.russellreynolds.com



Global offices

Americas

- Atlanta
- Boston
- Buenos Aires
- Calgary
- Chicago
- Dallas
- Houston
- Los Angeles
- Mexico City
- Miami
- Minneapolis/St. Paul
- Montreal
- New York
- Palo Alto
- San Francisco
- São Paulo
- Stamford
- Toronto
- Washington, D.C.

EMEA

- Amsterdam
- Barcelona
- Berlin
- Brussels
- Copenhagen
- Dubai
- Frankfurt
- Hamburg
- Helsinki
- London
- Madrid
- Milan
- Munich
- Oslo
- Paris
- Stockholm
- Warsaw
- Zürich

Asia/Pacific

- Beijing
- Hong Kong
- Melbourne
- Mumbai
- New Delhi
- Shanghai
- Shenzhen
- Singapore
- Sydney
- Tokyo