WIDENING GAP

India Inc Unable to Connect with Apt Indp Directors

Empty Chairs

Vacancies for independent directors in Nifty 500 copaniess

INDUSTRY	NO. OF COS	NO. OF VACANCIES
Fin Services	16	33
Industrials	14	30
Commodities	9	18
Energy	7	13
Utilities	5	9
Consumer	5	6
Telecom	2	5
Services	2	3
Diversified	1	1
TOTAL	**61**	**118**

Source: Prime Database Group

As clout overrides talent, relevant pool of seasoned pros remains untapped

Maulik Vyas

Mumbai: India Inc. is grappling with a peculiar imbalance. While large, listed companies face mounting regulatory and investor pressure to appoint qualified independent directors, a growing pool of experienced professionals from consulting, legal, and advisory backgrounds remains on the sidelines.

However, talent isn't the issue: Rather, access is.

In an ecosystem where board appointments often hinge on personal networks and rainmaking clout, even the most capable candidates can find themselves overlooked, say legal experts. This has resulted in a widening gap between governance and oversight demands and the theoretically relevant talent pool that remains untapped. Data compiled by the Prime Database Group for **ET** indicates 118 vacant board seats in 61 Nifty 500 companies, and 225 vacancies across 143 NSE-listed companies. Ketan Dalal, managing director, Katalyst Advisors, said the available pool of independent directors is normally accessed through search firms or through commonly known contacts, although the former mechanism is less frequently deployed. "In this context, while there is potentially good talent of independent directors available, the lack of a network of relationships at their end is often a constraint, said Dalal.

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"This impacts the ability of companies to access such directors. Conversely, (it also impacts) the ability of potential independent directors to find good companies where they can add value," Dalal said. He is also an independent director on the board of several companies, including HDFC Life Insurance Co. and Siemens Energy India, among others. In total, 792 individuals hold 1,328 independent directorships in Nifty 500 companies, showing a small pool serving on multiple boards. Among women, 461 serve on 642 independent directorships in 472 companies. The remaining 28 companies have none.

Waiting Room

VACANCIES FOR INDEPENDENT WOMEN DIRECTORS IN NIFTY 500 COS

INDUSTRY	NO. OF COS	NO. OF VACANCIES
Industrials	9	9
Fin services	8	8
Commodities	3	3
Consumer	2	2
Energy	2	2
Utilities	2	2
Services	1	1
Telecom	1	1
TOTAL	**28**	**28**

Source: Prime Database Group

LEGAL MANDATE

The Companies Act/Stock Exchange Listing Regulations mandate/s independent directors make up at least a third of the boards at every listed public company.

Also, the law makes it compulsory for every listed company to have at least one woman director on its board. In the case of the top 1,000 listed companies by market capitalisation, they are also required to have at least one independent woman director on the boards.

Barriers for women directors remain steep. Despite regulations, few hold independent board roles.

"Too often, women have a token presence to meet compliance norms," said a partner at a Mumbai-based law firm, who also serves as a woman director on the board of a mid-sized listed company. "The issue is not supply. Many women leaders are qualified. Companies must look beyond box-ticking and recognise the governance and risk skills they bring."

Executive search firms urged companies to widen their search initiative and treat board seats with the rigour of C-suite hires. They also said aspirants to such positions build their networks and sharpen their personal branding in terms of thought leadership.

"Boards stick to familiar networks and prior experience, limiting fresh perspectives. There is an untapped bench of professionals with regulatory, ESG, digital and risk backgrounds, critical for addressing today's complex challenges," said Shweta Rao, vice president and head of Vahura OnBoard.