

CORPORATE GOVERNANCE SCORES

RAISING THE BAR

Based on the
Indian Corporate Governance Scorecard Framework **MAR 2026**
Developed by IFC - BSE - IiAS

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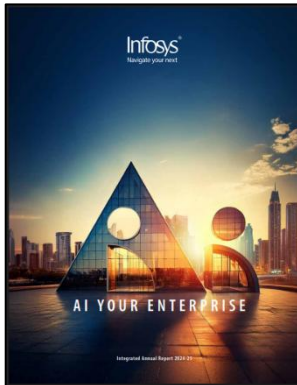
Axis Bank Limited

“Axis Bank has once again been rated in the top-tier “Leadership” category in the Indian Corporate Governance Scorecard (December 2024) by IiAS. This recognition reflects our unwavering commitment to corporate governance and regulatory excellence. The evaluation, based on globally benchmarked G20/OECD principles, reaffirms our industry leadership and dedication to the highest standards of accountability and transparency.”



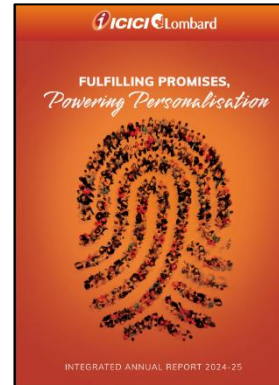
Dr Reddy's Laboratories Limited

“Recognised in the Leadership Category of the Indian Corporate Governance Scorecard assessment by IiAS”



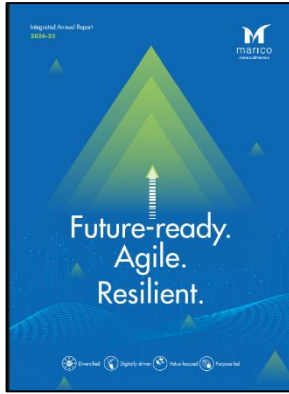
Infosys Limited

“Placed in the leadership category in the Indian Corporate Governance Scorecard Assessment undertaken by Institutional Investor Advisory Services (IiAS) for the eighth years in a row”



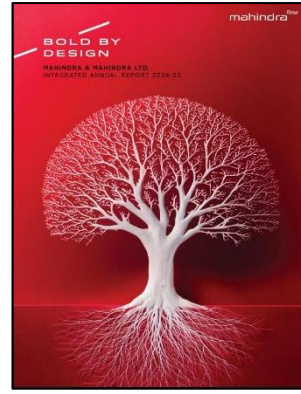
ICICI Lombard General Insurance Company Ltd

“During the year under review, the Company continued to feature in the ‘Leadership’ category in the Corporate Governance Scorecard 2024, which is developed by Institutional Investor Advisory Services India Limited (“IiAS”) with support from International Finance Corporation and BSE Limited, built around the G20/OECD Principles of Corporate Governance, which is the globally accepted benchmark for Corporate Governance.”



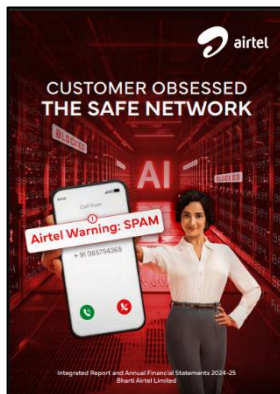
Marico Limited

“Marico has been featured in the ‘LEADERSHIP’ category on the IFC-BSE-IiAS Indian Corporate Governance Scorecard as assessed by IiAS for 5 consecutive years.”



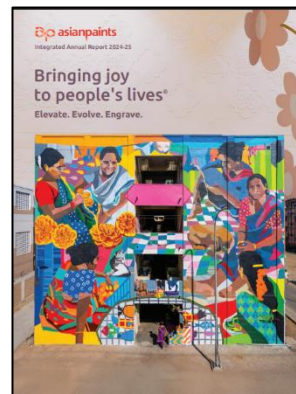
Mahindra & Mahindra Limited

“Your Company continued to feature in the ‘Leadership’ category in the Corporate Governance Scorecard 2024 which is developed by Institutional Investor Advisory Services India Limited (“IiAS”) with support from International Finance Corporation (“IFC”) and BSE Limited (“BSE”)”



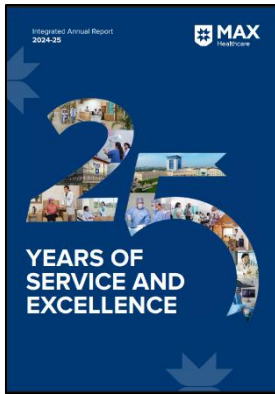
Bharti Airtel Limited

“IiAS recognised Airtel amongst top 20 companies under ‘Corporate Governance Scorecard-2024’, developed jointly by IFC, BSE, and IiAS.”



Asian Paints Limited

“Awarded as NEXT LEADER on Indian Corporate Governance Scorecard 2024 assessment by IiAS”



Max Healthcare Institute Limited

“We continue to earn recognition for our excellent governance, with Institutional Investor Advisory Services India Limited (IIAS) naming us as ‘Next Leader’. This distinction positions us among the top 20 companies in the S&P BSE100 Index for corporate governance, highlighting the strength of ethical and sound governance.”

01. INTRODUCTION

This is the tenth edition of assessments under the Indian Corporate Governance Scorecard, marking a decade of tracking how governance practices in corporate India have evolved in response to regulatory change, investor expectations, and shifting business realities. This year's assessment reflects a more mature governance landscape – one where the focus is no longer limited to formal compliance, but increasingly on how boards and management translate governance frameworks into effective oversight, resilience, and long-term value creation.

The 2025 findings point to a steady, broad-based improvement in governance standards across the BSE100. The median score has increased to 63 from 61 last year. Importantly, this improvement is not driven by a handful of outliers; rather, it reflects incremental strengthening of practices across a large part of the index constituents. The absence of companies in the Basic category for a second year suggests more consistent governance practices among India's largest listed companies, and that well-governed companies eventually find their place in key indices.

This year's assessment highlights the role of boards in shaping governance outcomes. Regulatory changes effective in 2024 have led to changes in board composition across the index, creating both opportunities and challenges for companies. While several boards have used this transition to strengthen overall composition in terms of diversity and skills, challenges remain - particularly around succession planning at the executive level, alignment of executive remuneration, special rights to shareholders, and the effective functioning of board committees. Investor scrutiny in these areas has increased, reinforcing expectations that boards provide effective oversight in the interests of long-term shareholders and other stakeholders.

Sustainability and resilience have become more central to a company's governance framework. Companies increasingly recognise climate risks, supply-chain issues, workforce well-being, and ethical conduct as relevant to business performance. Although BRSR and BRSR Core have improved the availability of ESG-related information, the quality of disclosures remain patchy; and even as many companies have set net-zero targets and outlined transition plans, progress on implementation and outcome measurement continues to vary.

At the same time, shareholder engagement has become more structured and consequential. Institutional investors are increasingly assertive on issues such as employee stock option schemes, related party transactions, special rights to a set of investors, executive pay, and disclosure quality. Although promoter ownership continues to shape voting outcomes in India, companies are showing greater sensitivity to investor feedback - often engaging earlier and more substantively to address concerns before they escalate into dissent.

The Indian Corporate Governance Scorecard remains anchored to the G20/OECD Principles of Corporate Governance, incorporating the Sustainability and Resilience principle introduced in the 2023 revision. With equal weight assigned to all four assessment categories - shareholder rights, sustainability and resilience, disclosures and transparency, and board responsibilities - the scoring framework reflects a more balanced view of governance. Companies that have invested consistently in stronger

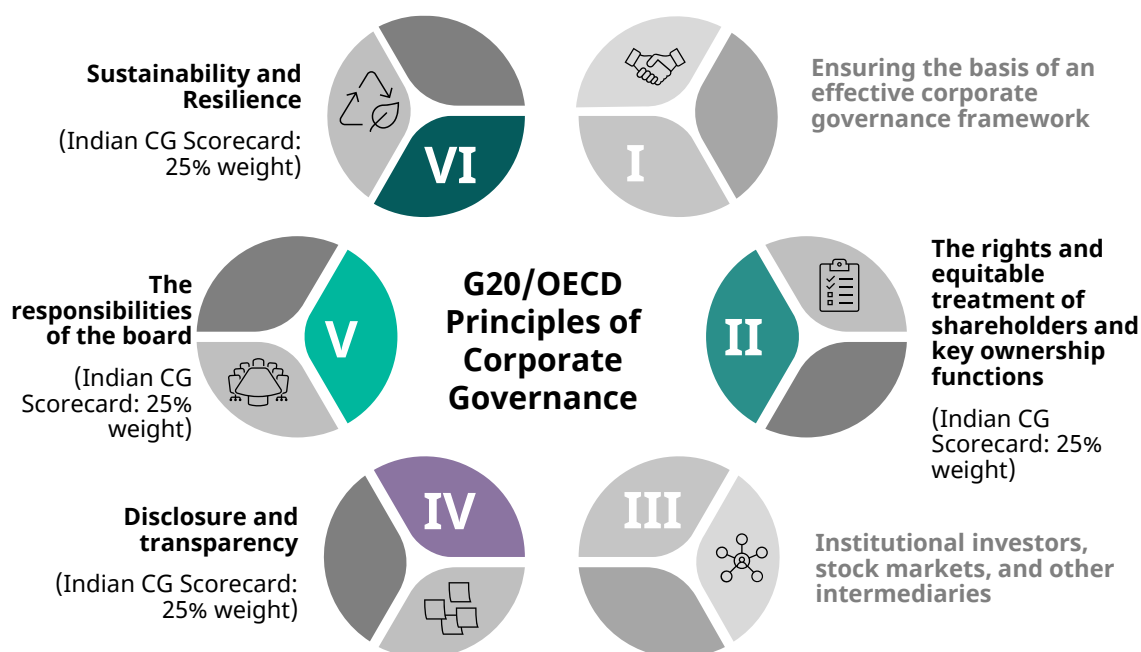
boards, clearer disclosures, and responsible stakeholder practices continue to feature among the leaders, meeting the increased expectations.

Taken together, this year's assessment points to greater emphasis on implementation alongside policy adoption. The challenge ahead lies not in articulating intent, but in demonstrating consistency, accountability, and outcomes.

02. METHODOLOGY OVERVIEW

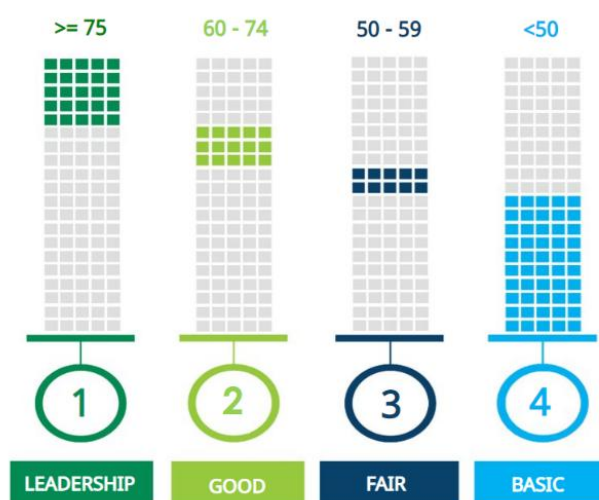
The Indian Corporate Governance Scorecard is anchored in the G20/OECD Principles of Corporate Governance¹. These principles are structured around six pillars: two addressing market dynamics and regulatory frameworks, and four focusing on company-level practices and behaviour. Because the Scorecard is applied within the Indian context, the market forces and regulatory environment are treated as given. Accordingly, the Scorecard’s assessment questions concentrate on the four pillars that evaluate corporate conduct.

Exhibit 1: Pillars underlying the scorecard framework



The Scorecard comprises 74 questions, each scored on a three-point scale (0, 1, or 2). Scores are aggregated across four categories, with equal weights of 25% assigned to each pillar of assessment. This produces a final score out of 100. Based on these results, companies are classified into four grades.

Exhibit 2: Grades of the Indian Corporate Governance Scorecard

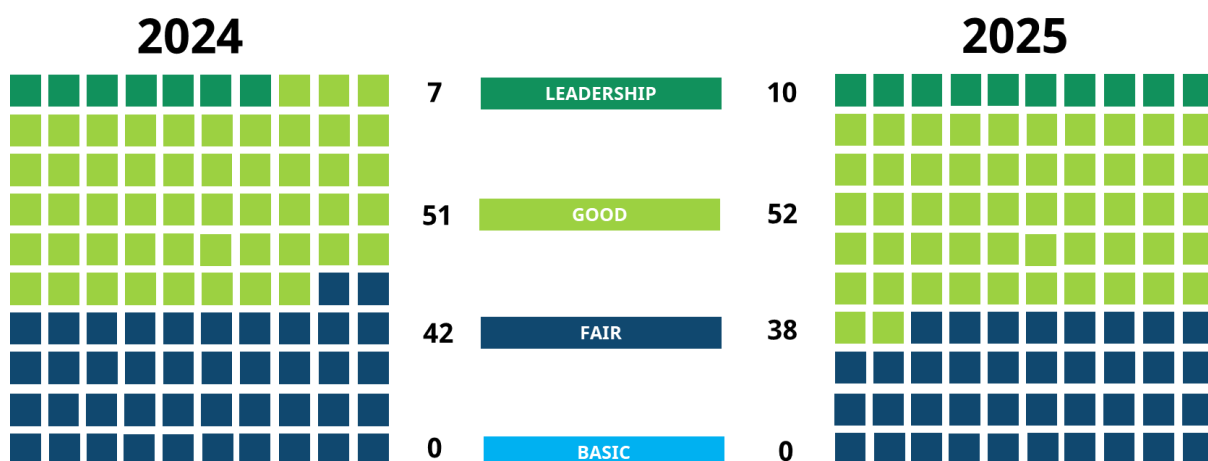


¹ For detailed methodology, questions and the scoring key, please refer to the annexures of this report.

03. BSE100 TRENDS

The BSE100 index ² now makes up approximately 57% ³ of BSE's total market capitalization, which is consistent with last year but lower than the historical share of over 70%; a possible outcome of changes to the index composition and a growing investor focus on a broader portfolio of stocks.

Exhibit 1: Distribution of governance scores of BSE100 companies



Note: The scoring of companies is done based on the latest Annual reports and publicly available information as on 31 January 2026

Following a revision in the G20/OECD Principles of Corporate Governance in 2023, the Indian Corporate Governance Scorecard assessment framework was revised in 2024. In our 2024 assessment, the distribution between companies rated Good and Leadership remained broadly even, with 58 companies in these categories and 42 in the remaining categories. In 2025, the distribution shows a positive shift with 62 companies now assessed as Good or Leadership, compared to 38 in the other categories.

For the second consecutive year there are no companies in the BASIC category (score of less than 50).

Taken together, the changing composition of the BSE 100 and the observed shifts in governance scores reflect a steady improvement in governance practices across the index.

² As on 13 October 2025

³ As on 16 January 2026

Exhibit 2: Score distribution of BSE 100 index constituents over the past six years

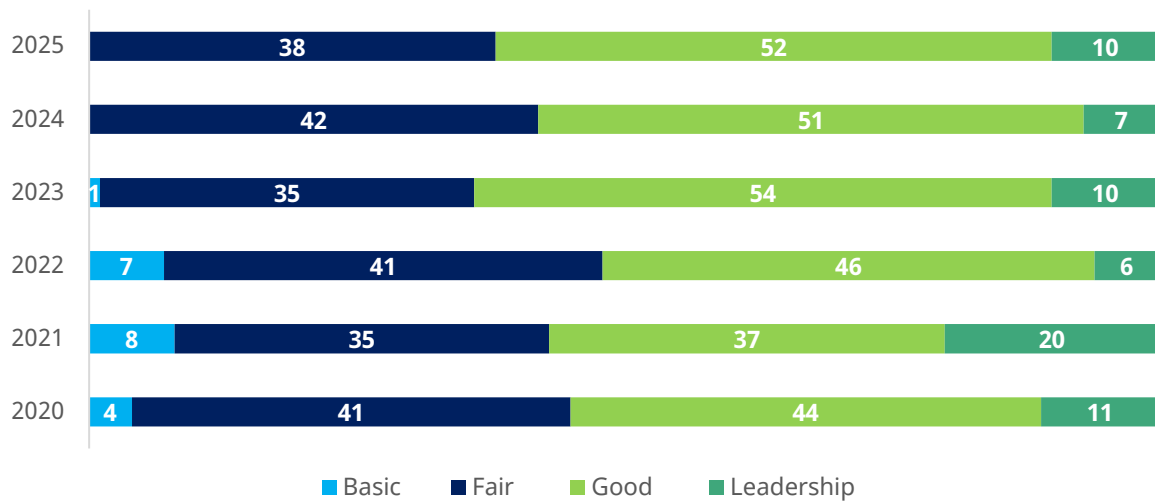
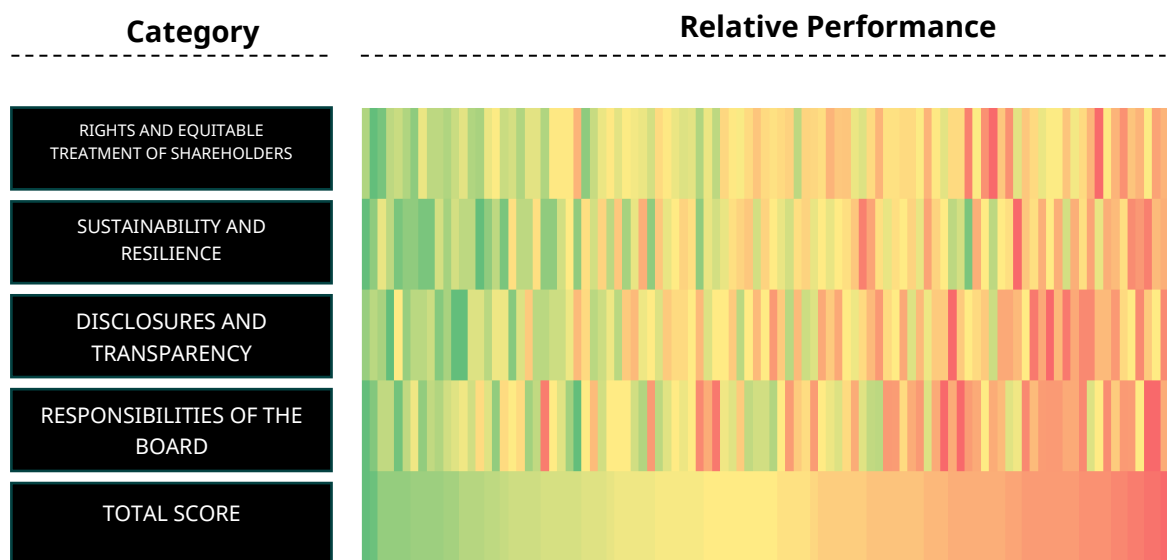


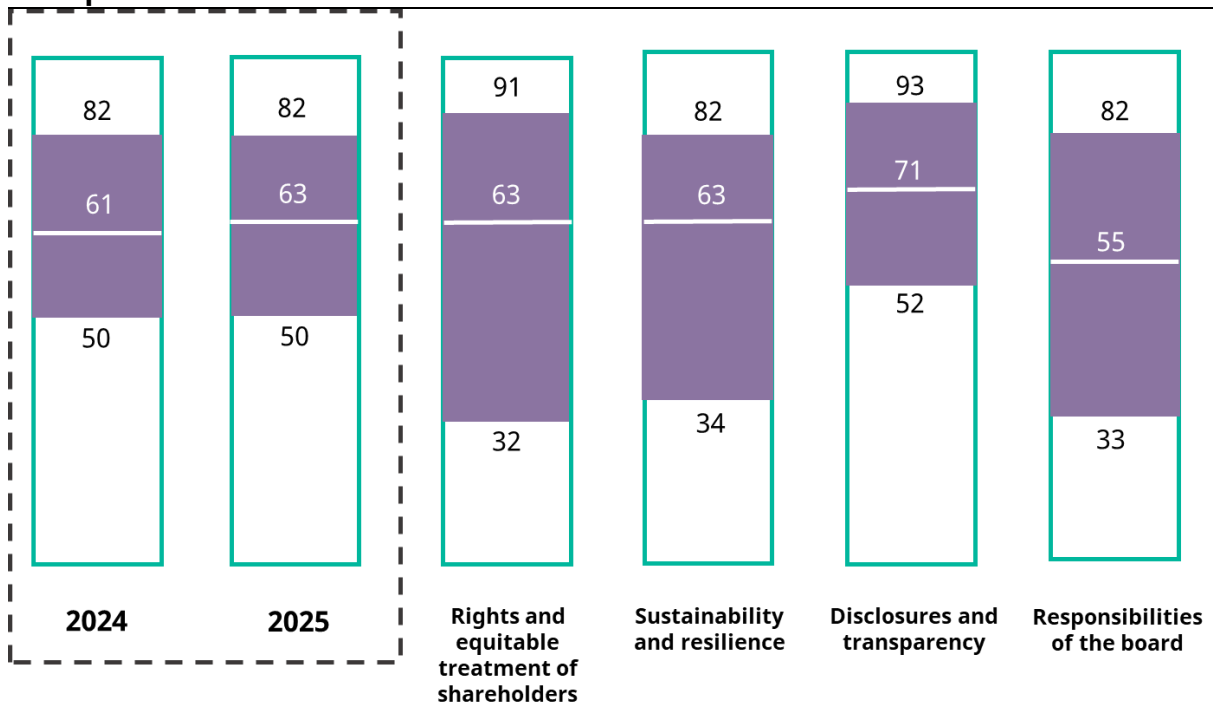
Exhibit 3: Heat map displaying relative performance of BSE100 companies in 2024 across categories



Companies seeking to strengthen their corporate governance need to take a holistic view of the governance framework, recognizing the interlinkages across different governance parameters. Focusing on individual elements in isolation may result in uneven outcomes.

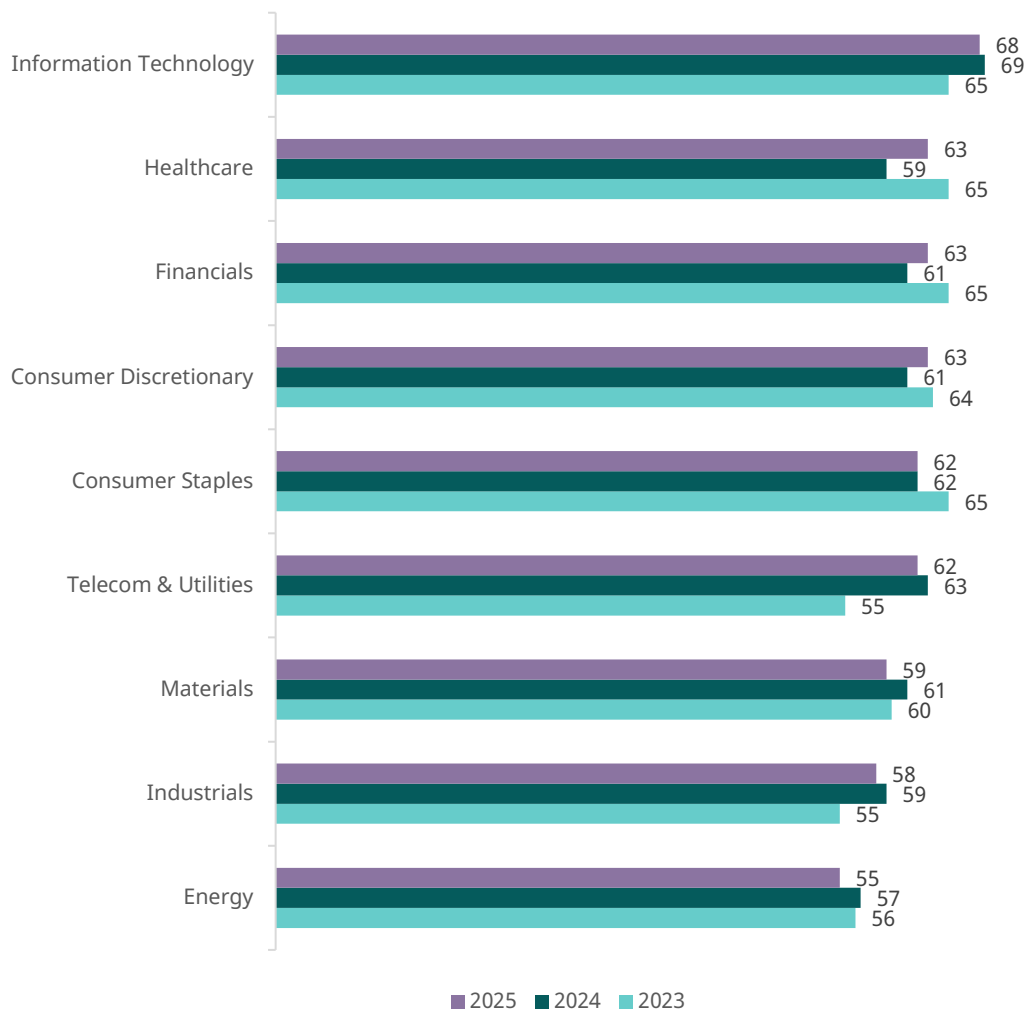
As reflected in the heat map, performance varies across parameters, with no single company consistently excelling or underperforming across all categories.

Exhibit 4: Category wise median, maximum and minimum scores for BSE100 companies



In 2025, the median score of the BSE100 increased to 63 from 61, with the highest score remaining at 82. The increase in the median reflects improvement across companies, rather than being driven by a few outliers. This suggests that governance improvements are becoming more widespread across the index.

Exhibit 5: Industry wise median scores for BSE100 companies



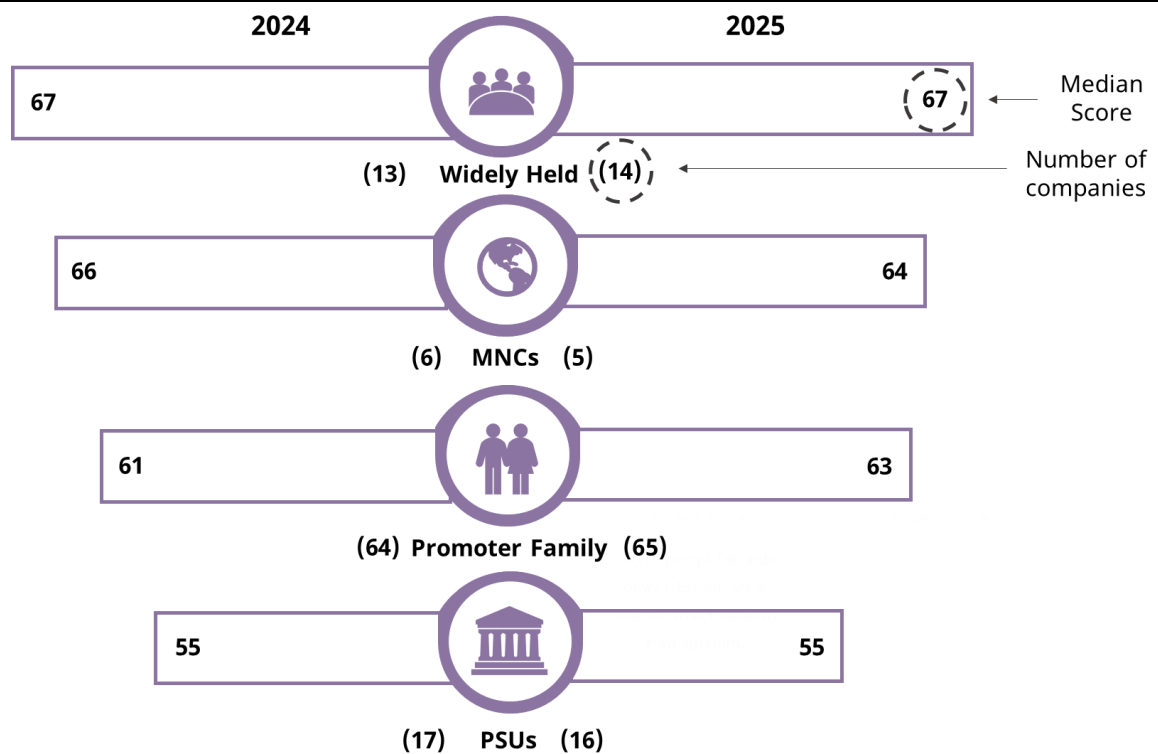
Note: The assessment framework was revised in 2024. Therefore, the median scores of 2025 and 2024 are not strictly comparable to those of 2023.

In 2025, the IT industry retained its leadership position. Consumer discretionary, financial services, and healthcare recorded year-on-year improvement, while telecom and utilities, energy, materials, and industrials saw a decline over the same period.

The improvement in the consumer discretionary sector was driven by higher scores for two companies, along with the addition of a new constituent whose score was above the sector median. In contrast, improvement in the financial services and healthcare sectors were more broad-based, reflecting improvement across companies within these sectors.

The decline in the median score for the telecom and utilities was primarily due to changes in index constituents. The reduction in the energy sector's median score was mainly driven by a decline in the score of a single company and that of materials sector was driven by decline in scores of three companies.

Exhibit 6: Ownership wise median scores for BSE100 companies



From an ownership perspective, promoter-controlled companies account for 65% of the BSE 100 in 2025 (64% in 2024) and therefore continue to have a meaningful influence on the index median score. The median score of promoter-led companies increased to 63 in 2025 from 61 in 2024, supporting the improvement in the overall index median. Widely held companies continued to score the highest, with the median score remaining at 67. In contrast, median scores for MNCs moderated to 64 from 66 in 2024 and median scores for PSU companies remained unchanged at 55.

04. LEADERS



Notes:

1. The list of companies above is in alphabetical order and not in the order of scores.
2. Axis Bank is one of IiAS' several shareholders.
3. ICICI Prudential Life Insurance Company Limited holds equity shares in IiAS. ICICI Lombard General Insurance Limited is a fellow subsidiary of ICICI Prudential Life Insurance Company Limited.
4. HDFC Bank Limited is one of IiAS' several shareholders.
5. HDFC Life Insurance Company Limited is a subsidiary of HDFC Bank Limited.
6. IiAS as a proxy advisor provides various services including voting advisory, publishing reports on corporate governance and related matters. These services are subscribed to by some of these companies, for which IiAS has received remuneration in the past twelve months.

05. THE NEXT LEADERS

bharti

HCLTech


Hindustan Unilever Limited

 **kotak**

 **MAX**
Healthcare

TATA CONSUMER PRODUCTS

TATA POWER

 **wipro**

IiAS revised its scoring methodology in 2022 and increased the threshold score for LEADERSHIP to 75 from the earlier 70. Based on the 2022 criterion of 70, all the companies listed above would have been part of the LEADERSHIP category.

Notes:

1. The list of companies above is in alphabetical order and not in the order of scores.
2. Kotak Mahindra Bank is one of IiAS' several shareholders.
3. Tata Investment Corporation Limited (TICL), Tata Consumer Products Limited and Tata Power Company Limited are all part of the Tata group. TICL is one of IiAS' several shareholders.
4. IiAS as a proxy advisor provides various services including voting advisory, publishing reports on corporate governance and related matters. These services are subscribed to by some of these companies, for which IiAS has received remuneration in the past twelve months.

06. SENSEX VS. BSE100

The 30 constituents of the BSE SENSEX accounted for ~36% of total market capitalization⁴. The highest score for a SENSEX company in 2025 remained at 82. The median score of BSE SENSEX decreased to 65 as compared to 67 the past three years even as the overall BSE 100 median has improved to 63 in 2025. The 2025 scores continue to reflect that SENSEX companies are better governed. In the 2024 and 2025 studies, 77% of the SENSEX companies have scored 60 and above (Leadership and Good category).

Exhibit 7: Category-wise scores of SENSEX companies

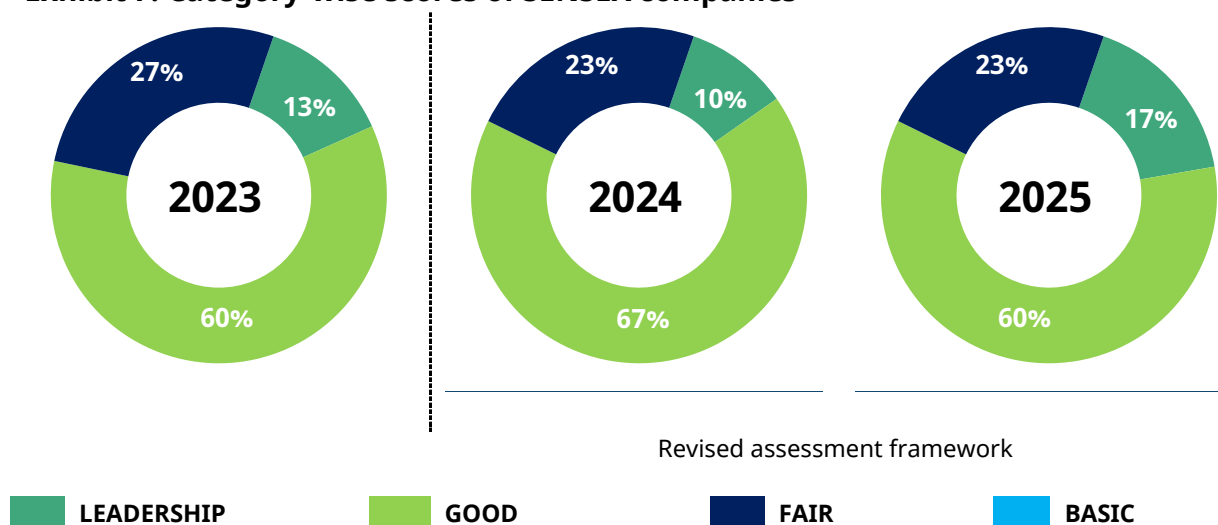
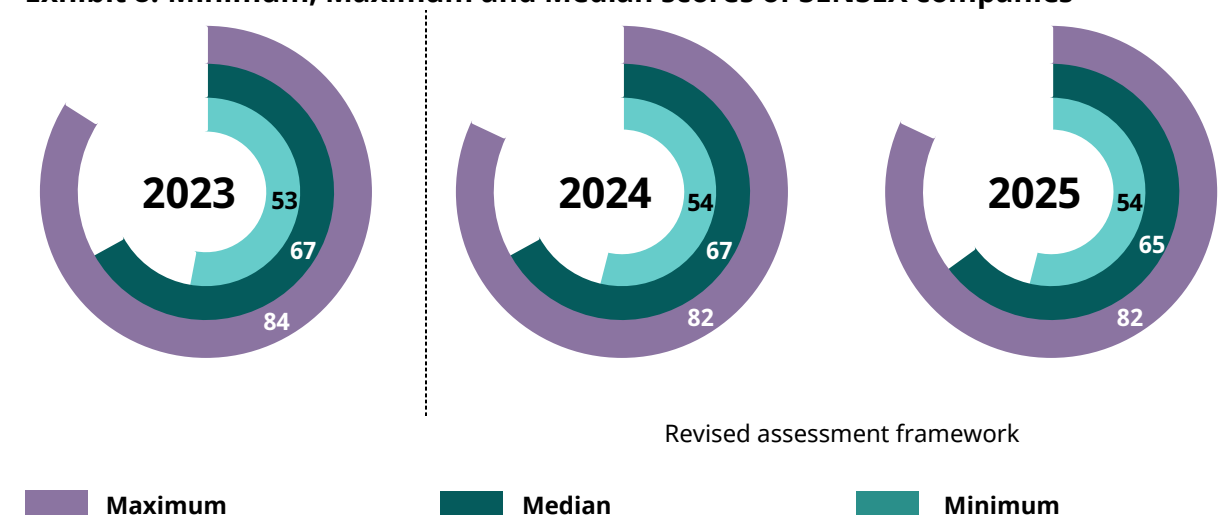


Exhibit 8: Minimum, Maximum and Median scores of SENSEX companies

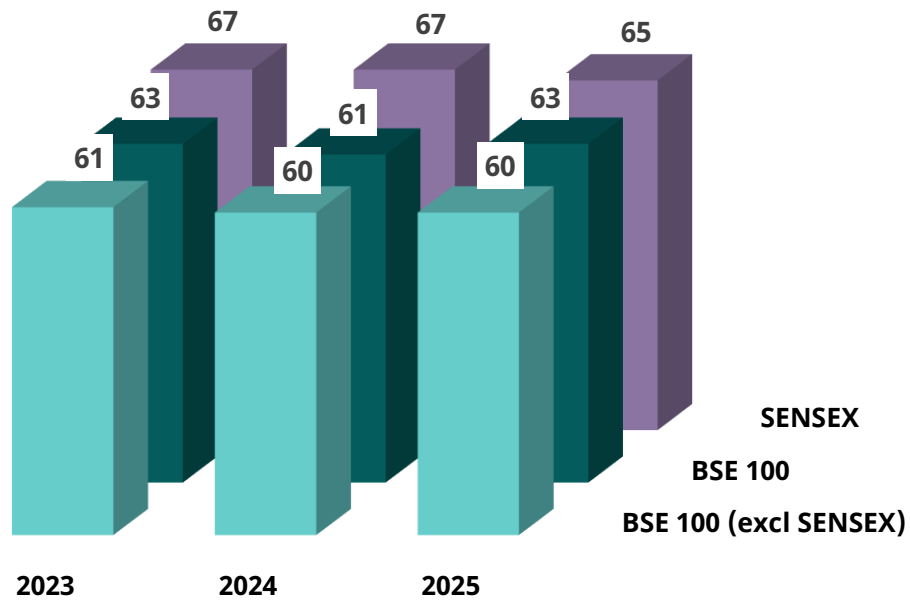


Note: The assessment framework was revised in 2024. Therefore, the scores of 2025 and 2024 are not strictly comparable to those of 2023.

⁴ As on 16 January 2026

The median score for BSE SENSEX companies continues to remain higher than the rest of the BSE 100 index – this is largely reflective of a stronger institutional base of shareholders, and stronger and more diverse boards.

Exhibit 9: Median scores of SENSEX vs. BSE100

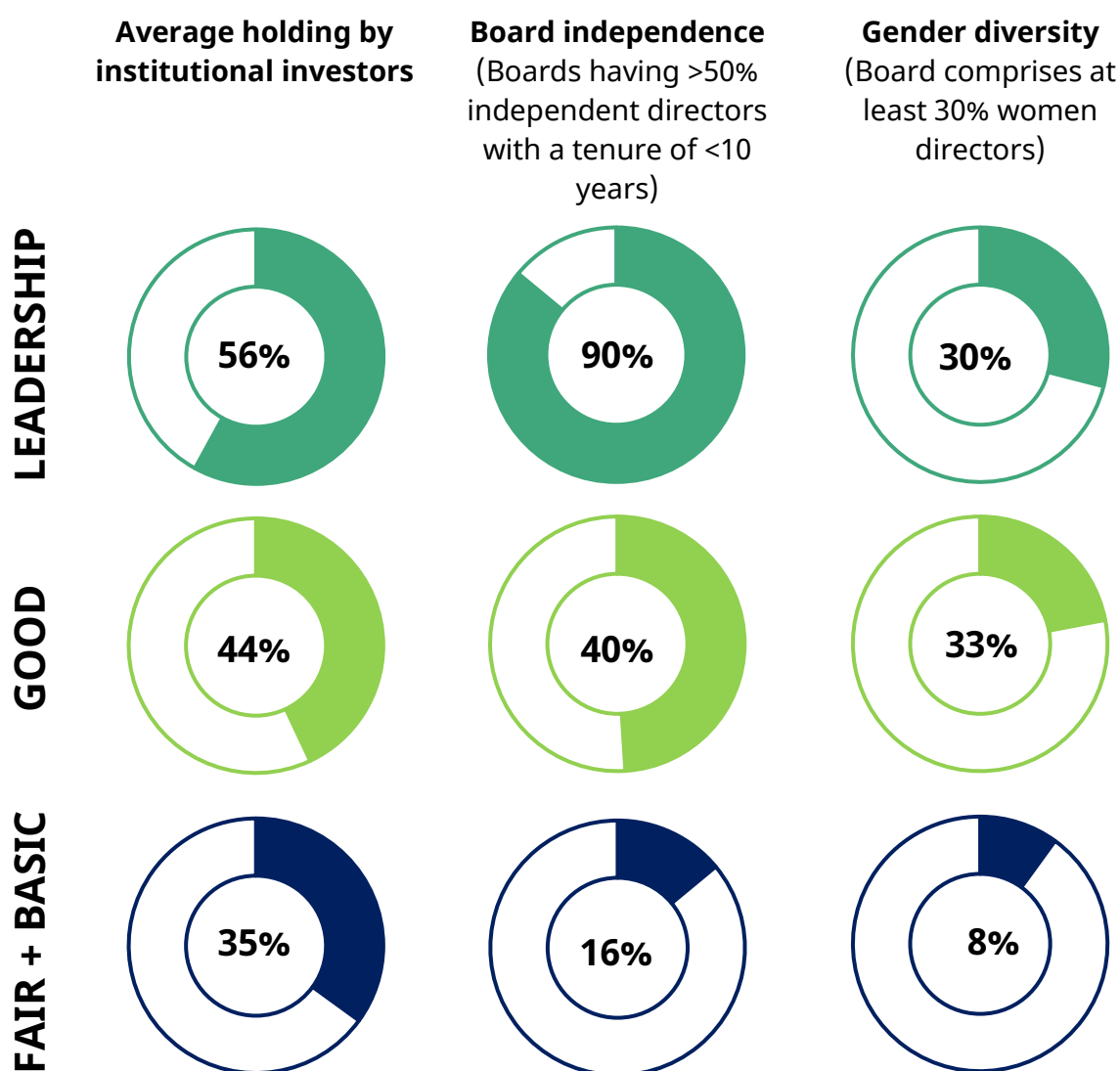


Note: The assessment framework was revised in 2024. Therefore, the scores of 2025 and 2024 are not strictly comparable to those of 2023.

07. HOW THE SCORE CATEGORIES DIFFER

Distinct patterns emerge across the score categories within the BSE100. Companies classified under the LEADERSHIP category typically exhibit higher levels of institutional shareholding than their peers. This relatively balanced ownership structure between promoters and institutional investors enhances the latter’s ability to influence governance standards and expectations. Reflecting these pressures, LEADERSHIP companies are more likely to have boards that are both independent and diverse. Overall, the analysis indicates a positive relationship across score categories: higher institutional ownership is associated with greater board independence and improved gender diversity.

Exhibit 10: Governance is correlated to board independence, board diversity, and higher institutional shareholding for companies in the BSE100



Compared to 2024, companies in the leadership category have seen an improvement in board independence, while gender diversity has strengthened across both the good and

leadership categories. The increase in gender diversity within the good category appears to be largely driven by changes in index constituents.

Investors have been instrumental in driving improvements in corporate governance. Both global and domestic institutional investors now place greater emphasis on robust governance standards. The adoption of stewardship codes and clearer stewardship responsibilities has also reshaped how investors engage with companies and exercise their voting rights on shareholder resolutions.

08. GOVERNANCE THEMES

BOARD EFFECTIVENESS

The board of directors is central to a company's corporate governance framework, and its effectiveness depends on the level of independence, diversity, and experience among its members.

Progress on board diversity and independence has been gradual and remains a structural issue. 2024 was an inflection point for board independence with the mandatory rotation of long-tenured independent directors upon completion of the ten-year threshold under the Companies Act, 2013 triggering a wave of board refreshment, resulting in visible shifts in board composition across several companies. At the same time, the inclusion of public sector undertakings (PSUs) in the index weighed on overall outcomes. PSUs continue to trail private sector peers on baseline governance requirements and are disproportionately represented at the lower end of the scoring distribution.

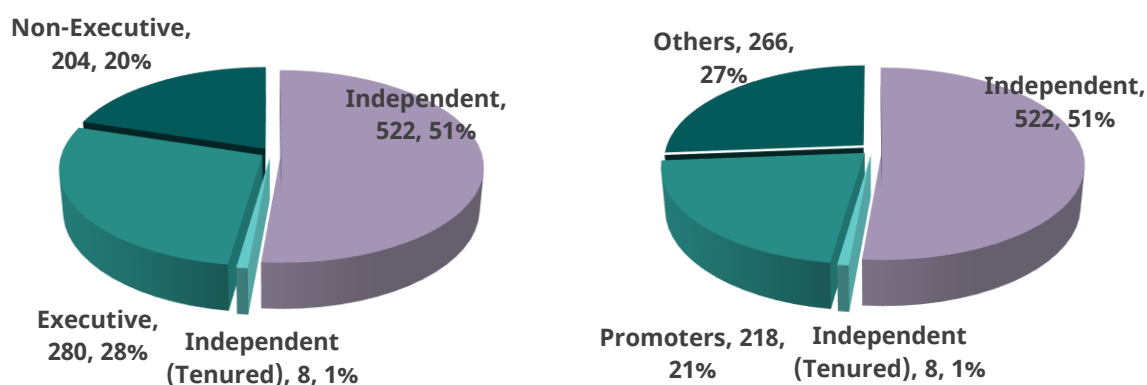
Investors' focus on the functioning of Nomination and Remuneration Committees (NRCs) has continued to intensify, particularly in relation to independence and pay outcomes. In multiple cases, investors have pushed back on the reappointment of NRC members where concerns persist around entrenched boards, weak challenge mechanisms, or executive compensation that appears misaligned with performance and shareholder returns.

For NRCs, a persistent challenge lies in managing conflicts between the interests of the company and those of controlling shareholders. This includes enforcing greater accountability around promoter remuneration, improving the granularity and clarity of pay disclosures, applying stronger scrutiny to related party transactions, and putting in place succession plans that are driven by merit, track record, and leadership capability rather than continuity alone. Collectively, these factors are increasingly viewed by investors as key indicators of board effectiveness and long-term value creation.

BOARD INDEPENDENCE

As of 30 November 2025, there were 1,014 board members across BSE 100 companies, of which 51.5% were held by independent directors, a marginal increase from about 50% on 31 December 2024. Long-tenured independent directors accounted for just 1% of board positions on 30 November 2025, down from 1.5% on 31 December 2024. The rise in overall board independence contrasts starkly with the compliance gaps in PSUs, with 13 of the 16 PSUs in the index still falling short of minimum regulatory requirements for board composition. This also indicates that while headline indicators show progress, structural governance challenges within PSUs remain unresolved.

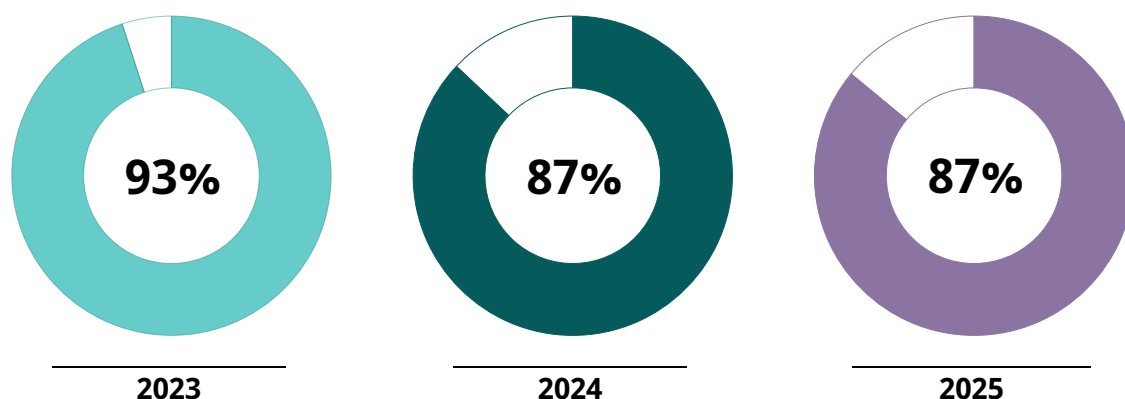
Exhibit 11: Board composition of the BSE100 companies on 30 November 2025



- IiAS classifies Independent Directors with a tenure/group tenure of more than 10 years as non-independent. These have been shown separately as tenured Independent Directors.
- Promoters include those that are part of the promoter family, and nominees of controlling shareholders.
- Others include professionals that are executive directors, founders, non-executive directors, and nominees of investors, lenders, and other stakeholders

While regulatory requirements have prompted board refreshment, a subset of companies (most of them outside of the BSE 100) have sought to preserve the status quo⁵ by rotating directors across group entities or appointing family members of former independent directors and ex-employees. In some cases, companies have also appointed partners from law or audit firms that have long-standing associations with the company or promoter group. Consequently, although these companies formally comply with board refresh norms, such appointments raise concerns about board independence. That said, the prevalence of these practices remains limited and has only a marginal impact on overall board independence across the market.

Exhibit 12: Companies that meet the regulatory standard of board independence



Note: The companies above meet the regulatory standards of board composition set for India. The data includes Independent Directors that have had a tenure of over 10 years on the board.

From a global governance perspective, best practices recommend that independent directors constitute at least half of the board. In the Indian context, however, board

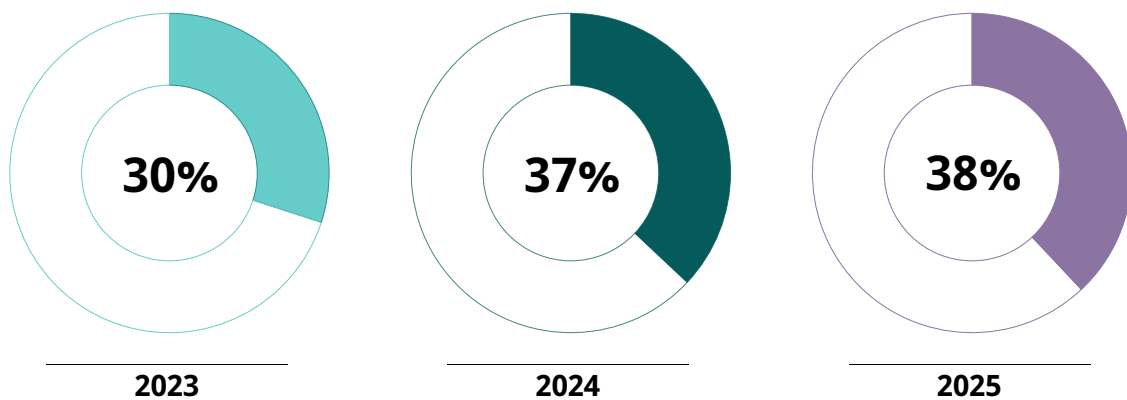
⁵ Related research: [It's a small world, after all; May 2024](#)

independence is largely determined by regulatory prescriptions rather than voluntary adoption of global norms. Specifically, where the Chairperson is an executive director or a promoter, regulations require that a minimum of 50% of the board comprise independent directors; in all other cases, the threshold is set at 33%.

Notwithstanding, given that a large proportion of listed companies continue to remain family controlled, most boards tend to have 50% independent directors. On 30 November 2025, 23 companies within the BSE 100 were subject to the one-third independent director requirement, while the remaining 77 companies were required to maintain board independence at the 50% level.

According to IiAS' assessment, 87 out of the BSE100 companies met the regulatory requirements for board independence in 2025, which remains unchanged from last year. All 13 companies that did not meet the independence requirements were PSUs.

Exhibit 13: Companies with more than 50% board independence (with independent directors having a tenure of less than 10 years)



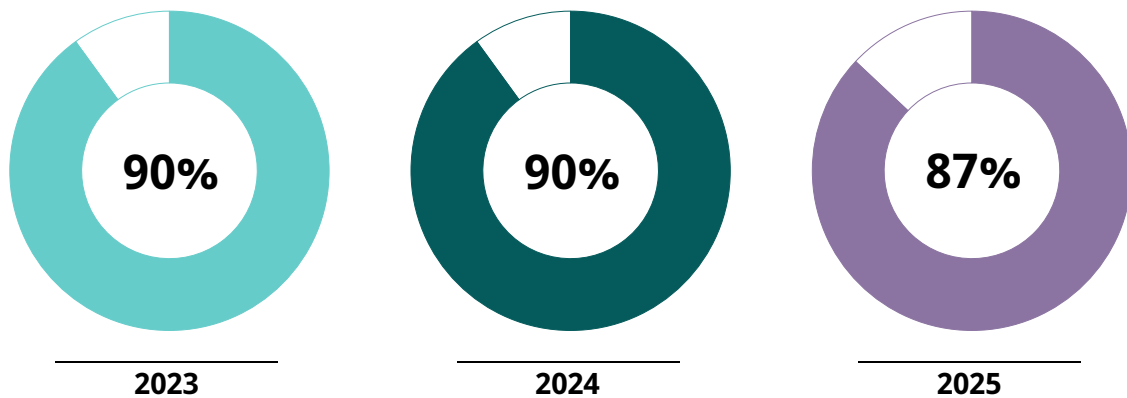
Note: For the purpose of the data above, tenured Independent Directors (tenure of over 10 years) have been considered as non-independent.

BOARD ENGAGEMENT LEVELS

The COVID-19 period accelerated directors' adoption of virtual meeting formats, leading to greater comfort with technology-enabled board processes. At the same time, investor pushback against the reappointment of directors with poor attendance records has sharpened accountability, contributing to improved participation in board and committee meetings.

However, ensuring full attendance at board meetings remains a challenge. In 2025, only five companies had all their board members present at every meeting, up from two in the previous year. On the other hand, 13 companies had at least one director attending less than 75% of the board meetings. These were mostly promoter-owned companies. Widely held companies and MNCs have performed better in terms of director attendance.

Exhibit 14: Companies where all board members have attended at least 75% of the board meetings held over the immediate past three years



SPECIAL RIGHTS TO A SET OF INVESTORS

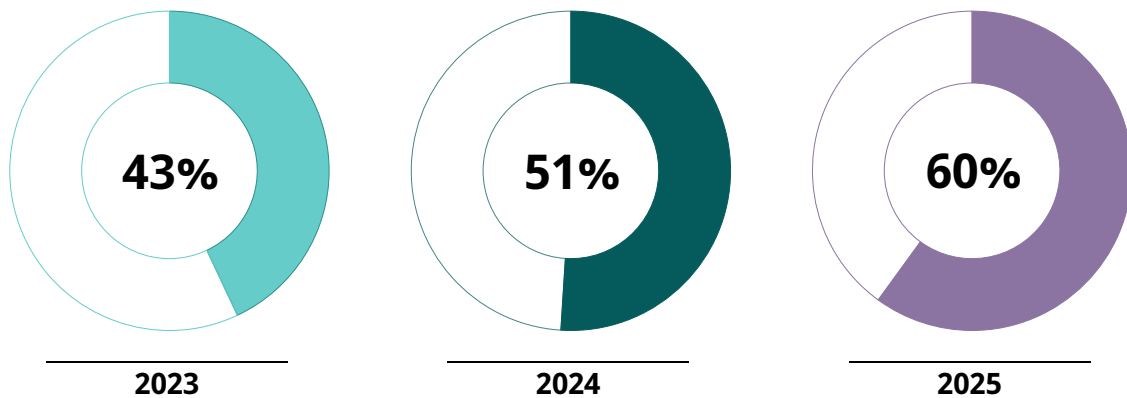
In a few companies, a set of investors – be they promoters, strategic investors, or private equity investors – are vested with governance rights that are not commensurate with their economic ownership in the company. Such rights may include permanent board representation, the right to appoint or continue as Chairperson through provisions embedded in the Articles of Association (AoA), board committee nomination rights, and / or quorum rights for board meetings and board committee meetings without being subjected to minimum shareholding thresholds, or with extremely low shareholding thresholds. Such arrangements can result in a concentration of influence that is disproportionate to economic ownership, potentially disadvantaging minority shareholders. Additionally, the presence of tag-along and drag-along rights, along with other control, consent, and veto provisions, further heightens concerns around equitable shareholder treatment and the overall balance of power within the governance framework.

From a governance perspective, shareholder influence over corporate decision-making should be proportionate to economic ownership. Special rights of this nature are, in substance, equivalent to differential voting rights, albeit without any corresponding premium being paid by the beneficiaries and are therefore misaligned with widely accepted governance standards.

Despite these concerns being voiced by shareholders through their voting, such rights are often approved, as the stakeholders who benefit from them typically participate in voting on the relevant resolutions. In 2025, out of a total of 254 resolutions presented to shareholders for alteration of charter documents, four resolutions were defeated due to disproportionate special rights assigned to investors/promoters. Further, 25 of the 254 resolutions faced institutional dissent in excess of 20%.

Once embedded in the Articles of Association, these provisions were seldom revisited, until the change in regulation. Recognising the scope for misuse, the Securities and Exchange Board of India (SEBI) in 2023 introduced regulatory requirements mandating periodic shareholder approval for the continuation of such special rights and related governance arrangements.

Exhibit 15: Companies where charter documents do not give any special rights to a set of stakeholders



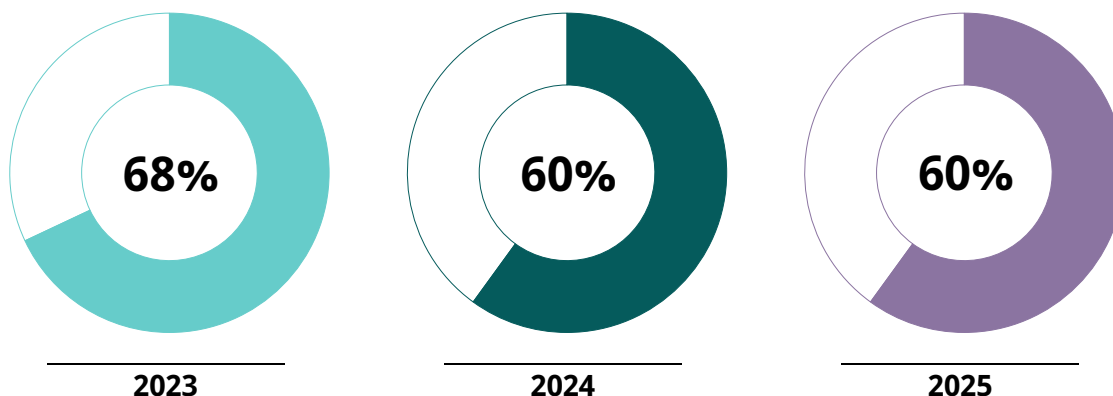
The proportion of companies whose charter documents do not confer any special rights increased from 51% in 2024 to 60% in 2025. This change reflects improved transparency, as more companies have disclosed their Articles of Association (AoA) on their websites, even as recent years have seen an increase in the granting of special rights to strategic and private equity shareholders.

SEPARATING THE ROLES OF THE CHAIRPERSON AND CEO

The Indian Corporate Governance Scorecard assesses whether companies have distinct individuals serving as Chairperson and CEO, recognizing that these roles carry separate responsibilities. This distinction is particularly relevant in India, where promoter-led companies are prevalent. The 2017 Kotak Committee reinforced this principle, recommending the separation to prevent excessive concentration of power, improve oversight, and establish a more balanced governance framework.

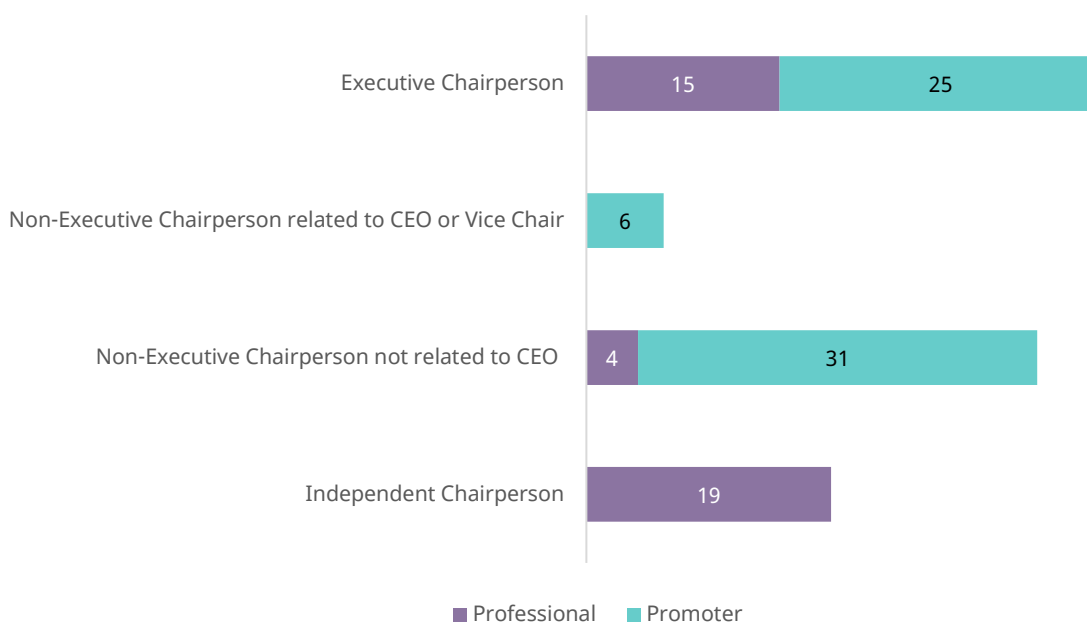
SEBI added a further condition by stipulating that if the roles were split, the Chairperson and CEO could not be related. However, on 15 February 2022, SEBI shifted this requirement from mandatory to voluntary. While some companies have still chosen to implement the separation - whether to align with global best practices, improve governance standards, or address investor expectations - progress has slowed. The number of firms having distinct Chairperson and CEO roles declined from 68 in 2023 to 60 in 2024 - mainly driven by the inclusion of 7 PSUs in the index. This number remains unchanged at 60 in 2025.

Exhibit 16: BSE100 boards that have separated the roles of Chairperson and CEO



Note: The data above does not assess for the relationship between the Chairperson and CEO; it only assesses if the roles have been separated. In case of Executive Chairpersons, even with another Managing Director, IiAS does not consider the roles to have been separated.

Exhibit 17: The Chairpersons of BSE100 companies on 30 November 2025



Notes:

1. Independent Director does not include tenured directors (with more than 10 years on the board).
2. Promoters include promoter representatives (example: parent company representation in MNCs)
3. IiAS considers being "related" not just on the basis of the regulatory description of "relatives" but uses a more practical approach factoring in family dynamics

Source: IiAS research, PRIME Database, stock exchange filings

The distribution of chairperson roles across BSE 100 companies reflects varying degrees of promoter and professional influence. Companies with Independent Chairs dropped from 20 in 2023 to 19 in 2025. Executive Chairperson positions are largely held by promoters (25) rather than professionals (15), indicating a continued preference for promoter-led executive leadership. Among Non-Executive Chairpersons who are not related to the CEO, promoter representation remains dominant (31), while professional

appointments are relatively limited (4). Promoters as Non-Executive Chairperson continue to have family members or relatives as CEO or executive vice-chair (6), highlighting the prevalence of family or group affiliations in board leadership. Overall, while independent leadership is present, promoter influence remains significant across most company boards.

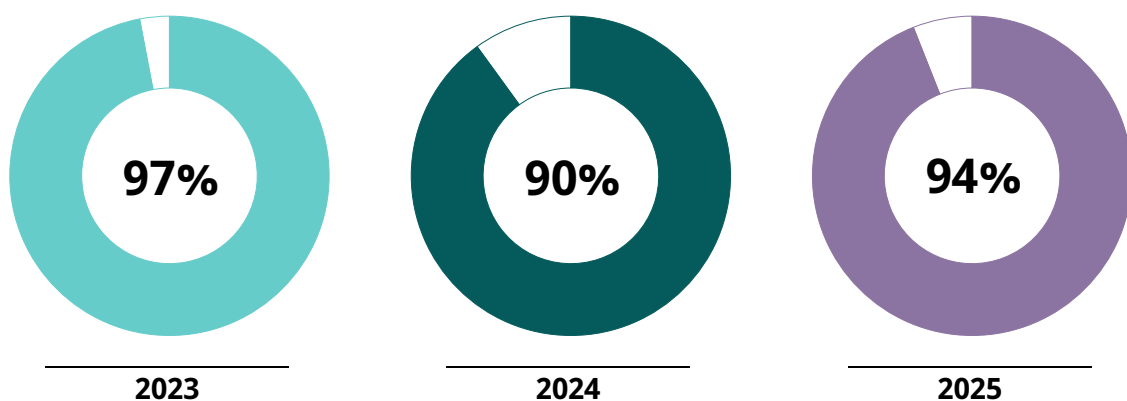
BOARD DIVERSITY

Board diversity is widely recognised as a key enabler of effective decision-making and a critical safeguard against groupthink, thereby strengthening overall governance quality. In India, regulatory initiatives have sought to reinforce this principle by requiring the top 1,000 listed companies to appoint at least one Woman Independent Director and to enhance disclosures relating to the skills and competencies of board members.

A growing body of evidence suggests that more diverse boards tend to deliver stronger oversight and better governance outcomes. In particular, the presence of women directors adds cognitive diversity, brings in a wider range of perspectives, and often fosters a more balanced and collaborative approach to boardroom discussions. As a result, gender diversity should not be viewed simply as a regulatory requirement, but as a governance and business priority that can meaningfully support long-term value creation. The results of the current assessment of BSE 100 index constituents under the Indian Corporate Governance Scorecard also reflects that well governed companies have more board diversity and independence.

In 2025, the number of companies with at least one independent woman director increased to 94, up from 90 in 2024. This improvement was largely driven by public sector undertakings (PSUs) appointing women as independent directors to boards. Notwithstanding, we continue to raise concern with respect to the political affiliations of independent directors in PSUs: we believe such appointments have the propensity to unnecessarily politicize the company's decisions.

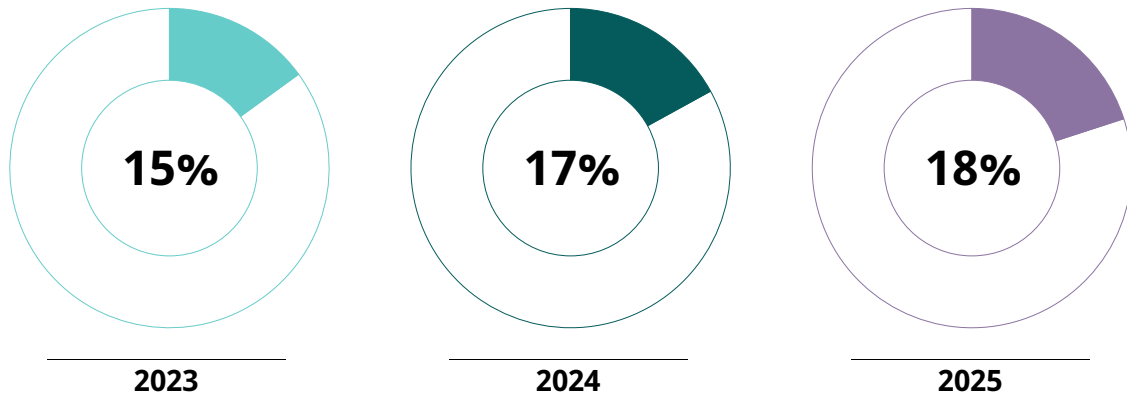
Exhibit 18: Companies with at least one Independent Woman Director



As of 30 November 2025, women held 20% of board seats in BSE 100 companies, unchanged from December 2024. Of these, 74% were Independent Directors. Leadership representation remains particularly weak, with only five out of the top 100 companies

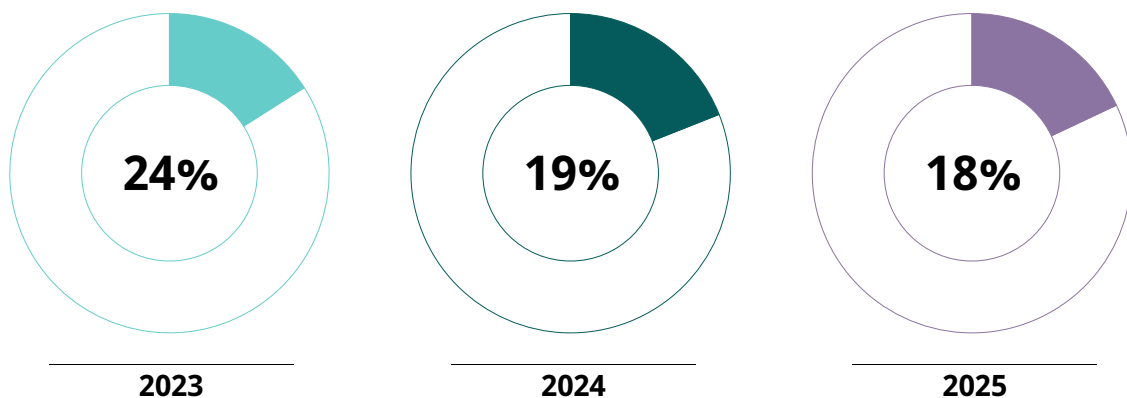
having women as Chairpersons. For gender diversity to be truly meaningful, women should comprise at least 30% of boards.

Exhibit 19: Companies where women comprise 30% or more of the board



Policy commitments continue to outpace real-world outcomes. While most companies readily signal their commitment to diversity, workforce data tells a less encouraging story. A majority of the BSE100 companies identify as equal opportunity employers, yet 36 report women comprising less than 10% of their workforce. Progress at the board level also remains limited, with only 20% of BSE100 companies reporting more than 30% women directors. In parallel, the number of companies with more than 30% female representation in the workforce has declined from 24 in 2023 to 20 in 2025. Meaningful progress on gender diversity will require sustained, measurable actions to recruit, retain, and promote women across all levels of the organisation.

Exhibit 20: Companies where women comprise 30% or more of the workforce



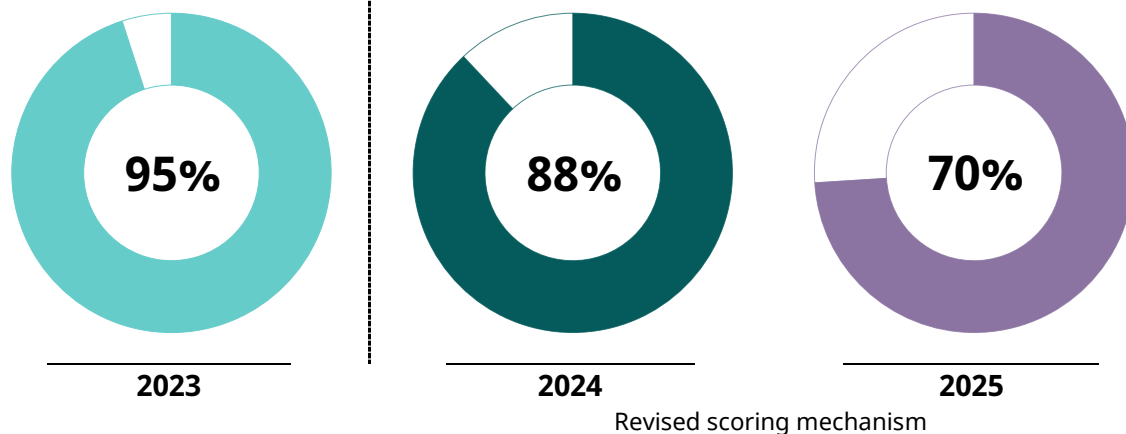
A well-balanced board requires skill diversity. SEBI's push for companies to disclose director-level skills encourages boards to think beyond individual qualifications and focus on the collective expertise.

Past corporate failures highlight the need for at least one Independent Director with a strong understanding of the business. While most Indian companies have non-executive

directors meeting these needs, such directors often belong to the promoter family: having at least one Independent Director who has a clear grasp of the company’s core operations, will strengthen objective oversight and improve the quality of boardroom discussions.

Many Indian companies view the next generation as natural successors, often prioritizing family continuity over factors such as skills, experience, or passion for the business. Consequently, several boards include directors under the age of 30 from promoter families, with succession planning cited as the rationale. While this approach reflects a commitment to legacy, boards are most effective when they serve as platforms for directors to make meaningful contributions, rather than primarily as training grounds.

Exhibit 21: Boards with Independent Directors (non-executive directors under the 2023 and 2022 scorecards) that have knowledge of the company’s core business domain

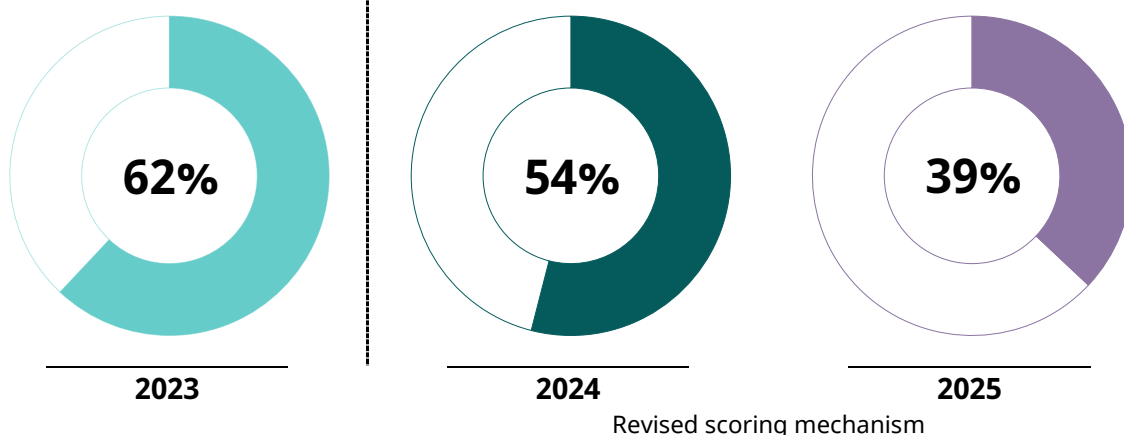


Our analysis of BSE100 index companies revealed that 30 companies lacked a non-tenured Independent Director with relevant industry experience or had directors with less than ten years of aggregate work experience. On the other hand, 39 companies demonstrated sufficient skill breadth, including at least one Independent Director with industry expertise. The remaining 31 companies had at least one non-tenured Independent Director with relevant industry experience; however, the overall board skill diversity was limited.

SEBI has mandated that cyber security risks be part of the Risk Management Committee’s charter⁶. Hence, we also assess the presence of IT expertise on boards, recognizing its increasing significance in today’s business landscape.

⁶ Related research: Boards’ focus on digital governance is long overdue - <https://bit.ly/3GubtzY>

Exhibit 22: Boards with diversified and comprehensive set of skills

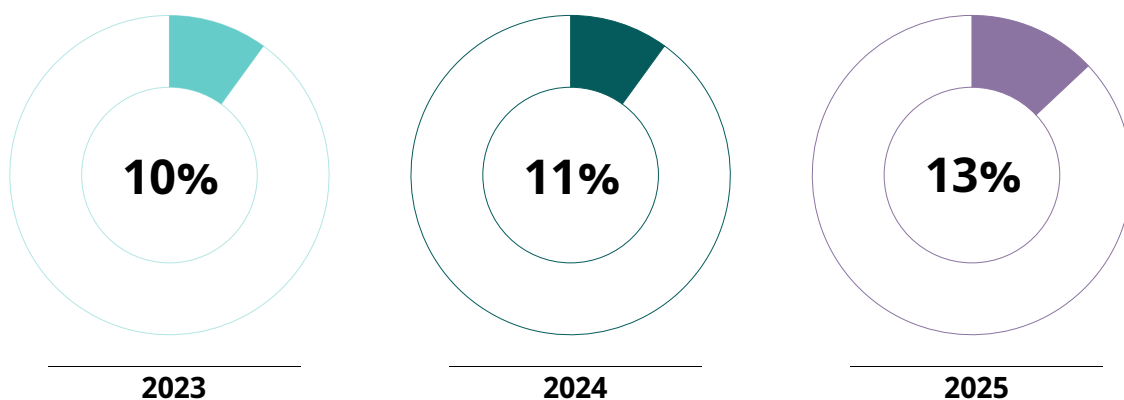


Our scoring methodology was refined in 2024. Previously, the assessment of board-level skills considered the skill sets of all non-executive directors, including promoter non-executive directors. Since 2024, however, the evaluation has been limited to Independent Directors when assessing board-level skills. In addition, the framework now flags boards that include directors with less than ten years of aggregate work experience. Taken together, these changes have resulted in a lower number of companies being assessed as having boards with a comprehensive skill set.

BOARD EVALUATION

Indian regulations require boards to undertake an annual evaluation exercise to enable more objective self-assessment. While this mandate has introduced clearer performance expectations for directors, boards have taken time to adapt to these standards. Although disclosure of board evaluation practices is common in Western markets, it remains culturally sensitive in India. As a result, most boards operate somewhere between cautious compliance and benevolent assessment, and almost uniformly refrain from disclosing the outcomes of these evaluations.

Exhibit 23: Boards that disclosed the outcome of the board evaluation leading to a board improvement plan



Companies now disclose the criteria used for board evaluations, reflecting a growing recognition of the importance of assessing governance effectiveness. In practice, however, disclosures rarely extend beyond a list of parameters, offering investors little insight into the findings or the actions proposed to strengthen board performance. While employee performance reviews are understandably confidential – and directors often view board evaluations through the same lens – investor expectations differ. Investors are not seeking commentary on individual directors, but clarity on how the board, as a collective, is functioning, addressing gaps, and evolving over time.

A robust board evaluation should go beyond identifying gaps and clearly articulate the actions the board plans to take over the next 12 to 24 months. This includes steps to close governance gaps, sharpen decision-making, strengthen oversight, and improve boardroom effectiveness. In practice, however, most disclosures fall short of this level of specificity, leaving stakeholders with limited visibility into whether boards are meaningfully advancing governance improvements.

Progress remains incremental. Disclosing evaluation criteria is a positive step, but without a clear improvement roadmap, the exercise risks becoming a compliance formality. For board evaluations to add real value, companies must adopt more transparent and outcome-oriented disclosures, clearly linking performance assessment to concrete plans for long-term board effectiveness.

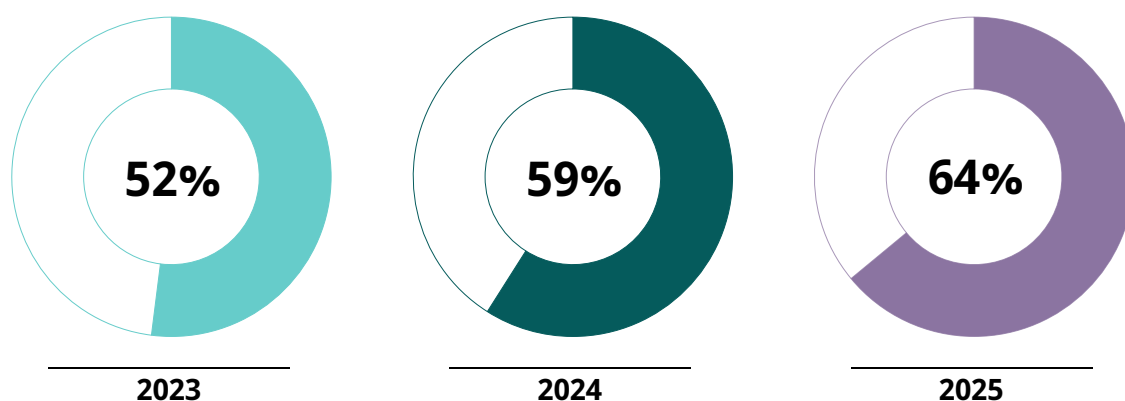
SUCCESSION PLANNING

In India's family-run corporate landscape, succession planning remains contentious and opaque. Boards often defer to the family patriarch or matriarch, reinforcing the perception of the company as a personal domain and leaving minority shareholders marginalized. This deference frequently results in next-generation family members being elevated to board roles prematurely, often framed as "on-the-job" grooming, irrespective of their readiness. By contrast, non-family professionals are typically required to demonstrate sustained competence before being considered for board positions.

Some promoter families are adopting a more structured approach to internal succession by putting in place family constitutions. These frameworks formalize wealth transfer, codify the family's vision and values, and define governance arrangements. Given that investors back leadership as much as the business itself, boards must handle succession planning with greater transparency and discipline. Reflecting this need, SEBI's LODR regulations now require listed entities to disclose ongoing agreements or arrangements with promoters that affect management or control, ensuring that succession-related transitions are clearly communicated to investors.

Identifying a promoter-level successor remains a core challenge. Boards that treat the incumbent as irreplaceable often expose weak institution-building. NRCs should anchor the process by defining successor competencies and actively identifying credible candidates. When succession is relegated to a family matter or deferred altogether, the risks escalate, often resulting in corporate fragmentation, including business splits driven by sibling disputes.

Exhibit 24: Companies that have a succession plan for the board of directors and the senior leadership



In India, succession planning in family-run businesses remains largely informal, with boards playing a marginal role and critical decisions made behind closed doors. Even when families adopt constitutions or formal agreements, weak enforcement often undermines their effectiveness, as disputes over leadership and control reveal their fragility. Numerous families have become embroiled in prolonged legal battles over

inheritance and boardroom authority despite documented arrangements. In contrast, families that establish clear and timely succession plans are more likely to achieve smoother transitions, ensuring continuity of leadership and limiting disruption.

While succession-related disclosures have improved, only seven of the 64 companies provide a framework that extends beyond a high-level outline. Boards can no longer remain passive observers. Succession planning must be structured, merit-based, and insulated from family dynamics; failing this, each leadership transition risks undermining business continuity and stability.

EXECUTIVE REMUNERATION

Excessive promoter remuneration remains a key concern in corporate India. Despite heightened investor expectations, accountability around compensation continues to be weak - particularly where promoters occupy both executive and non-executive roles, blurring the distinction between independent oversight and self-determined outcomes.

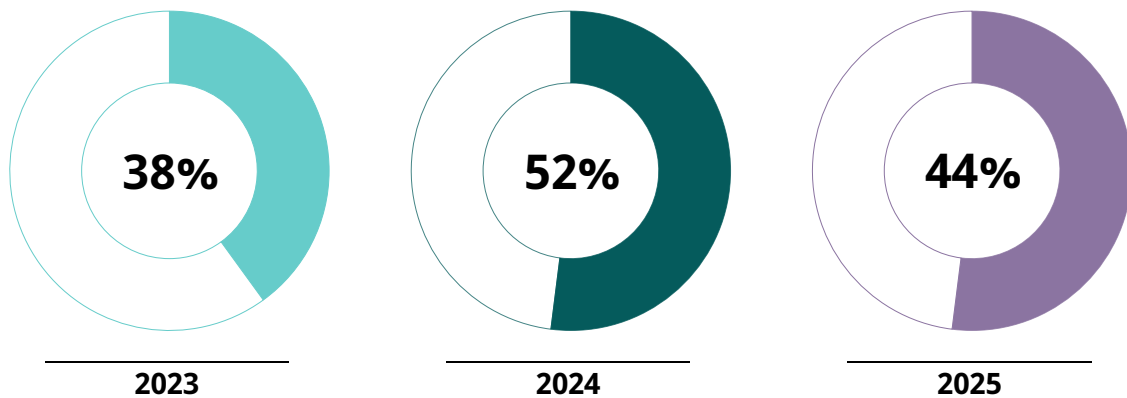
India's executive compensation transparency is still well behind global standards. Pay increases for promoters are often without basis, and performance-based pay structures are virtually non-existent. Additionally, in a few isolated cases, even professional executives' compensation has not been benchmarked against industry peers. In 2025, only 44 of the BSE100 companies showed credible alignment between pay and performance, down from 52 in 2024.

The issue of executive remuneration as a related-party transaction is still unresolved. Promoters continue to vote on their own pay resolutions, an obvious conflict of interest that is yet to be addressed by regulations. In the 18-month period ending 30 September 2024, IiAS⁷ analyzed 893 resolutions on promoter remuneration and found that around 25% (216) were approved solely because of the promoters' votes. These resolutions would likely have been rejected if a majority-of-minority vote had been held, underscoring the need for stronger independent oversight and better accountability of executive pay. Further, in isolated incidences there have been professionals whose compensation has not been benchmarked to industry peers.

In 2024, we introduced a new change to the Indian Governance Scorecard by incorporating malus and clawback provisions into the assessment of performance metrics. This is in line with RBI's directive for compensation structures of bank CEOs to carry these in the remuneration structures. While banks are compelled to follow the RBI diktat, the rest of corporate India is reticent in including such clauses into the remuneration structure, let alone implementing them.

⁷ <https://www.iiasadvisory.com/institutional-eye/promoters-disregard-investor-dissent-while-voting-their-own-salary>

Exhibit 25: Companies where executive pay has been aligned to company performance over the past three years



A notable gap in executive remuneration practices is the relatively lower emphasis on variable, performance-linked pay. In India, around 50% of executive compensation is tied to performance, compared with 67%–90% in many global markets. This suggests that performance-driven pay structures are still evolving in the Indian context. This is reflected in disclosure and governance practices as well. While a small subset of companies are disclosing performance metrics for variable pay in the shareholder notices, the broader concern remains that the increase in executive remuneration continues to outpace growth in earnings and total income.

Exhibit 26: Companies where executive pay structures have at least 50% variable pay and aggregate pay is less than 5% of profits

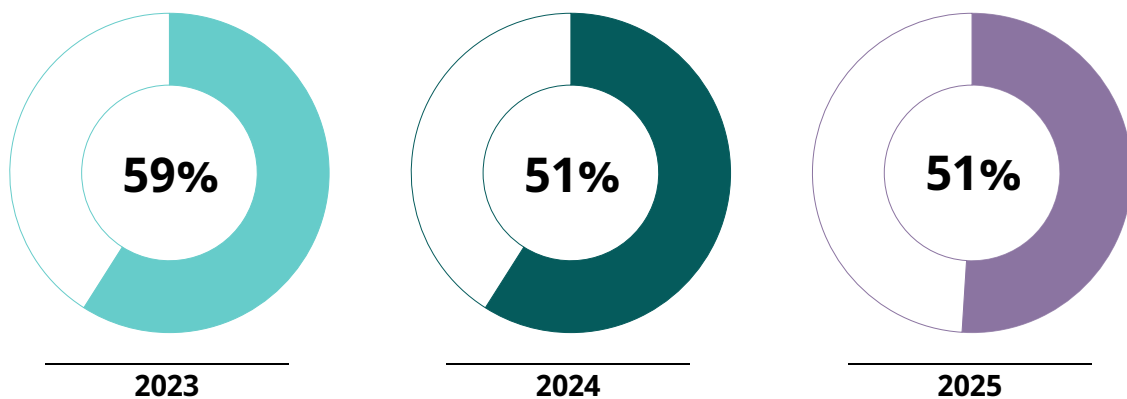
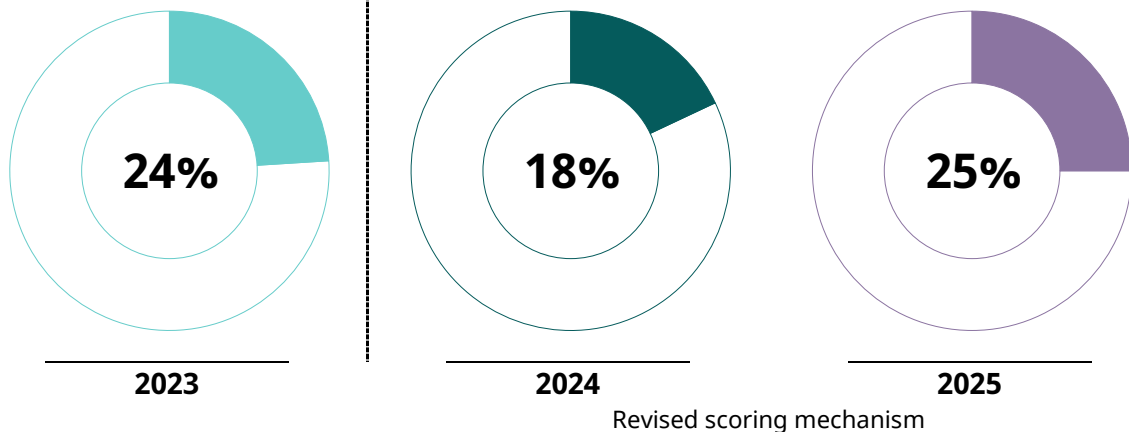


Exhibit 27: Companies that disclosed performance metrics for executive remuneration



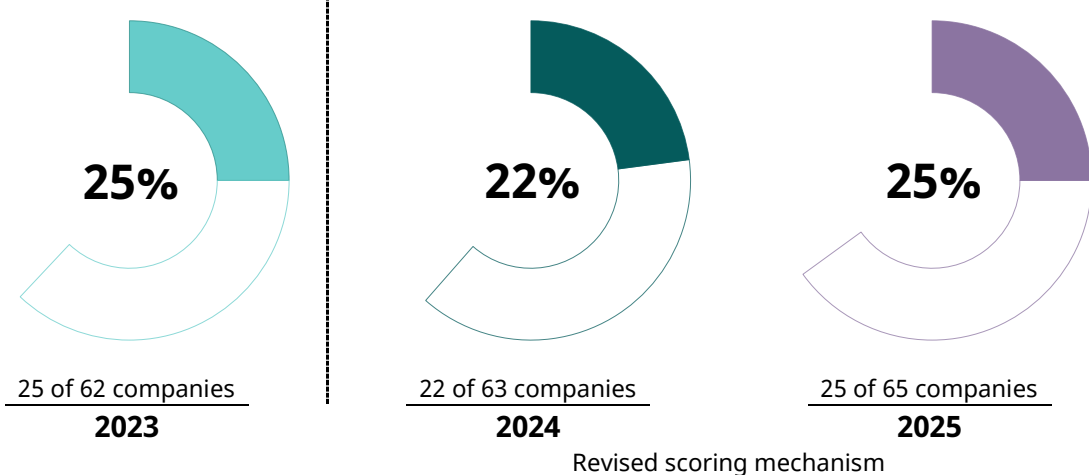
EMPLOYEE STOCK OPTION SCHEMES (ESOPs)

There is a principal difference between how companies and investors view ESOP schemes. While companies view this as deferred compensation, investors are seeking alignment with their interests.

Many companies issue stock options at deep discounts, citing reasons such as avoiding promoter dilution and reducing financial burden on employees when stock prices are high. Investors, however, tend not to support ESOP schemes where stock options grants are at deep discounts to market price – at the very least, they expect vesting of such stock options to vest based on the achievement of pre-set performance targets. Our current scoring mechanism now requires companies to disclose the pre-set performance targets while seeking shareholder approval. We also expect companies to disclose, in their annual reports, the level of targets achieved and therefore the basis of allowing stock options to vest.

Among the BSE100, in 2025, 65 companies had active ESOP schemes, of which only 25 companies had schemes that aligned with investor interest.

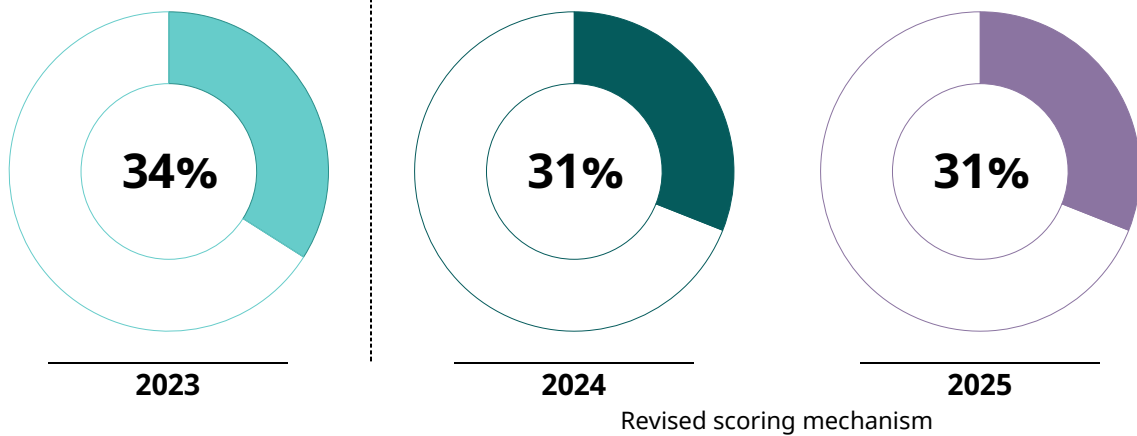
Exhibit 28: Companies with stock options grants aligned with investor interest



CONFLICT OF INTEREST AND RELATED PARTY TRANSACTIONS

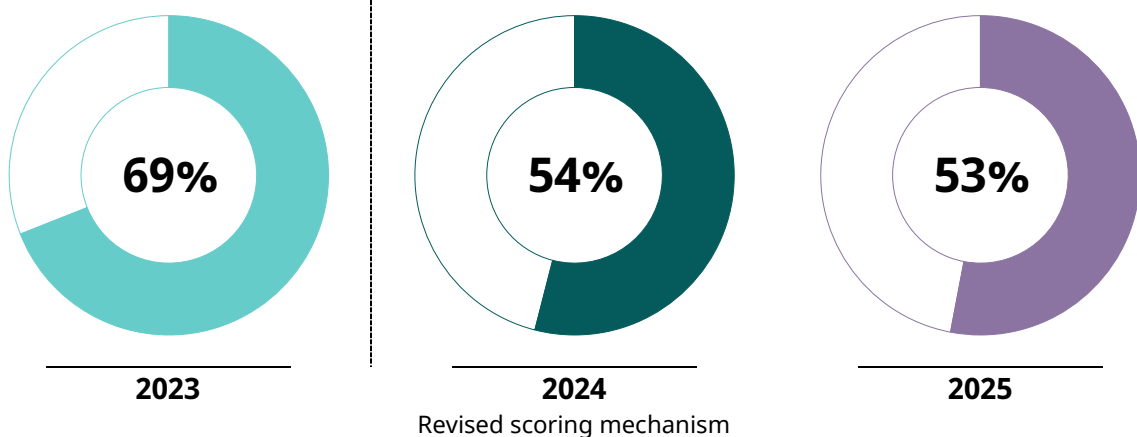
Effective management of conflicts of interest is central to maintaining stakeholder confidence and the integrity of decision-making. While many companies have conflict-of-interest policies, often these cover only employees and directors, while excluding external stakeholders such as suppliers and vendors. There is a need for a broader framework that addresses conflicts across the organisation and its external relationships.

Exhibit 29: Companies with conflict-of-interest policies that encompass all stakeholders (not limited to employees)



In 2024, the scoring framework was expanded to include an assessment of potential conflict of interests driven by business relationships - direct or indirect - between Independent Directors and the company are considered potential indicators of conflict. As a result, the number of BSE100 companies identified as either not disclosing a conflict-of-interest policy or having potential conflicts increased to 47 in 2025, compared to 46 in 2024 and 31 in 2023. The continued appointment of Independent Directors with such relationships indicates that, notwithstanding the existence of formal policies, their practical implementation continues to require greater attention.

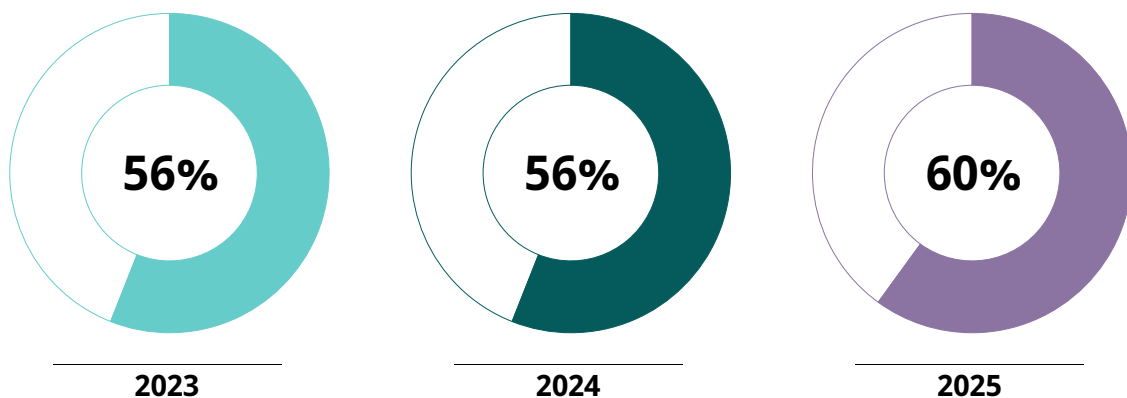
Exhibit 30: Companies that have a publicly disclosed conflict-of-interest policy for employees



Related party transactions pose the highest conflict of interest risk, as they create a possibility for controlling shareholders to influence outcomes in their own favour. Regulations on these have evolved over time, with several revisions, aimed at improving the transparency and governance standards. In [July 2024](#), SEBI clarified how related party transactions should be aggregated. One listed MNC in India had argued that the 10% threshold for shareholder approval should be calculated project-wise or contract-wise, not in total. Using this argument, it continued to undertake related party transactions despite shareholders having rejected its resolutions. SEBI's order settled the matter: all transactions with a counter-party must be considered in aggregate when testing the need for shareholder approval.

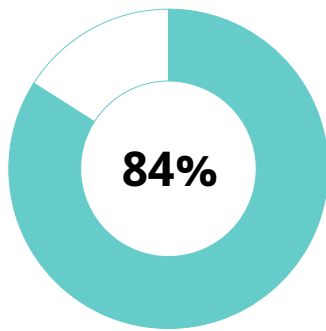
More recently, the Industry Standards Forum (ISF) - a body established by SEBI comprising industry associations such as ASSOCHAM, CII, and FICCI, and others - has prescribed disclosure requirements for related party transactions. ISF aims to enhance transparency by promoting clarity and consistency in disclosure. While these standards were initially proposed to apply from 1 April 2025, their implementation was first deferred to 1 July 2025 and subsequently to 1 September 2025. In parallel, the ISF issued a revised set of Industry Standards on the "Minimum Information to be Provided to the Audit Committee and Shareholders for Approval of Related Party Transactions", replacing the earlier version.

Exhibit 31: Companies with policies on related party transactions that prohibit interested directors from participating in discussion and voting

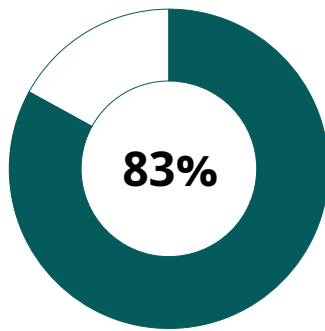


While regulations seek to establish safeguards through enhanced disclosures, audit committee oversight and shareholder approvals, related party transactions may still include terms and conditions that disproportionately benefit the related party. Where a dominant share of corporate India is promoter controlled, a key question for the audit committees to ask is whether any related party transactions entrench operational dependence on the promoter group, especially in situations where promoters control critical supply-chain links or key operating assets. Further, promoter voting on their own compensation is, in effect, a conflict of interest – one that is neither addressed by companies' policies nor regulation.

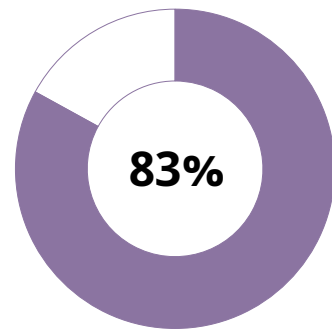
Exhibit 32: Companies that did not undertake transactions in the past three years which were prejudicial to the interest of minority shareholders



2023



2024



2025

MANAGING SHAREHOLDERS

Regulatory changes over the last decade have reshaped the corporate governance landscape by strengthening investor protections and improving disclosure practices. The adoption of stewardship frameworks and enhanced reporting requirements has formalised engagement between companies and their investors. Institutional investors such as mutual funds, insurance companies, AIFs, and pension funds are now expected to take a more active role in monitoring and engaging with investee companies.

At the same time, SEBI's tightening of related party transaction norms has increased scrutiny on deals involving promoter-linked entities, while enhanced disclosure requirements have made governance structures and risk management practices more transparent.

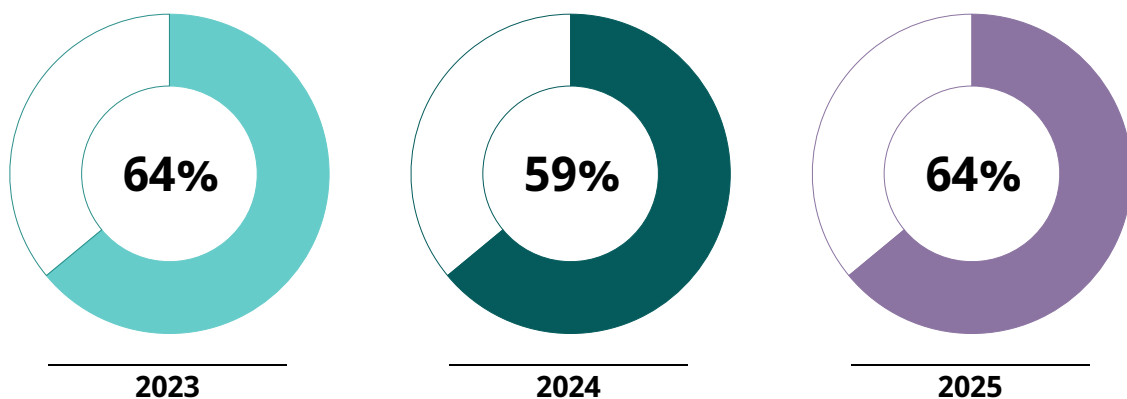
Consequently, companies have increasingly shifted towards direct engagement with institutional shareholders, particularly when explaining complex transactions such as mergers and acquisitions. As a result, investor engagement has become more regular and structured, supported by mechanisms such as earnings calls, annual general meetings, and timely disclosures to the stock exchanges.

The median score for Rights and Equitable Treatment of Shareholders has remained 63 for four years, however the highest score has increased to 91 from a constant score 88 in the last three years. A key gap remains in the direct engagement between large stakeholders and the board - particularly Independent Directors on the Stakeholder Relationship Committee (SRC) and the AC. Strengthening these channels will be crucial in moving beyond compliance-driven disclosures to meaningful governance outcomes. More structured engagement, including investor feedback loops before AGMs, could help align shareholder concerns with board decisions.

MANAGING AGMS

Since the pandemic, virtual and hybrid AGMs have increasingly become the norm in corporate India, significantly enhancing accessibility. This shift has led to improved disclosure on director attendance and, in some cases, higher board participation. However, despite the convenience of virtual formats, board attendance remains inconsistent, with 36 percent of BSE 100 companies still struggling to ensure full board presence at their AGMs.

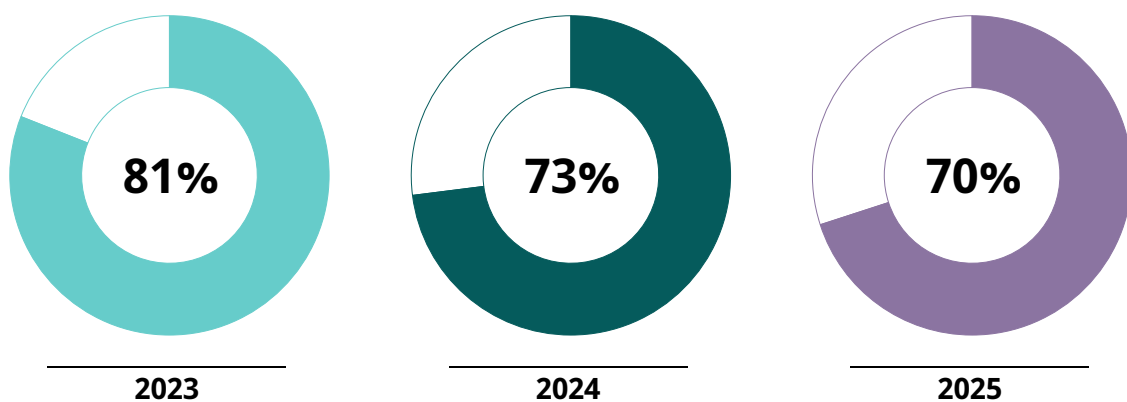
Exhibit 33: AGMs that all board members attended



Concerns also persist around the quality of shareholder engagement. In many AGMs, companies adopt a structured Q&A format in which questions are collected and addressed collectively at the end of the meeting. While this approach may improve time efficiency, it often results in a one-way exchange rather than a meaningful dialogue. In other instances, shareholder engagement is constrained by restrictions on the scope of questions, typically limiting them to financial statements and proposed resolutions. Over time, such practices have contributed to a gradual decline in investor participation at AGMs: less than 0.02% of shareholders attend AGMs⁸. Further, while auditor attendance at AGMs is mandatory, it is typically the Chairperson who manages the meeting, rarely allowing auditors to interact directly with the shareholders.

Disclosure practices relating to AGM proceedings present another area of concern. Despite the availability of transcripts and webcast recordings in virtual and hybrid formats, about a quarter of the index's companies still fail to disclose whether shareholder concerns raised during AGMs were meaningfully addressed, indicating a continuing gap in transparency.

Exhibit 34: AGMs minutes or webcast that disclosed the questions asked by investors and the board's response to these



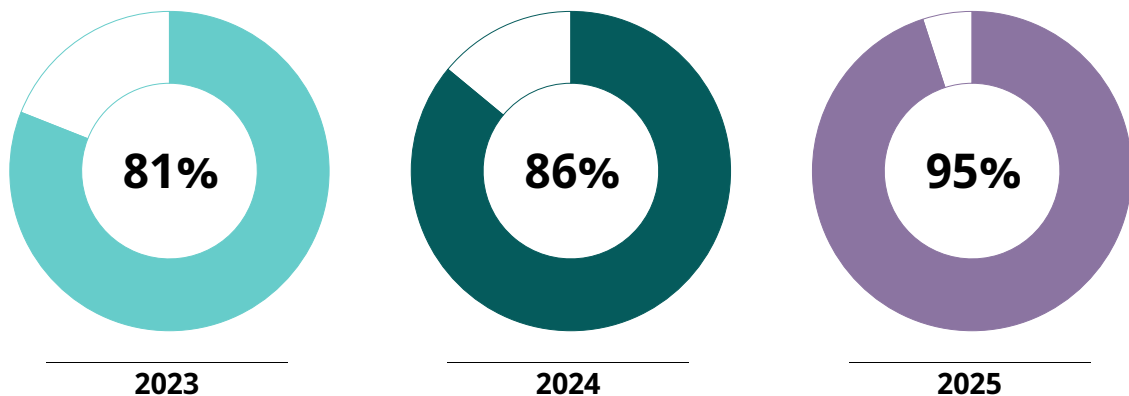
⁸ Related research: [Where are the shareholders?](#)

In 2022 and 2023, most auditors completed their first five-year term. During this period, many audit firms were reappointed, and in several cases, companies chose not to rotate the audit engagement partner. By FY25, however, there has been a marked shift: the number of companies with audit partners serving terms longer than five years has declined significantly, from 12 companies to just one. Regular rotation of audit partners every five years helps maintain objectivity while preserving institutional knowledge. As per recent regulatory amendments, the principal auditor of a listed company is also responsible for the audit of its subsidiaries. This ensures group level oversight.

The Reserve Bank of India (RBI) prescribes stricter norms for banks and certain NBFCs, Under RBI guidelines, commercial banks (excluding RRBs), UCBs and NBFCs (including HFCs) will have to appoint auditors for a continuous period of three years, subject to the firms satisfying the eligibility norms each year. An audit firm would not be eligible for reappointment with the same entity for six years (two tenures) after completion of full or part of one term of the audit tenure. Public sector banks have found that frequent rotation and multiple auditors have left gaps, allowing frauds to occur. There needs to be a balance between auditor rotation and continuity⁹.

Audit committees play a critical role in overseeing this process and should also ensure that, when appointing or reappointing auditors, audit firms are not merely rotated between group companies. Such practices can result in extended effective tenure with the group and may impair auditor independence and objectivity.

Exhibit 35: Companies where Audit firm tenure < 10 years and audit partner < 5 years



ENGAGING WITH INVESTORS

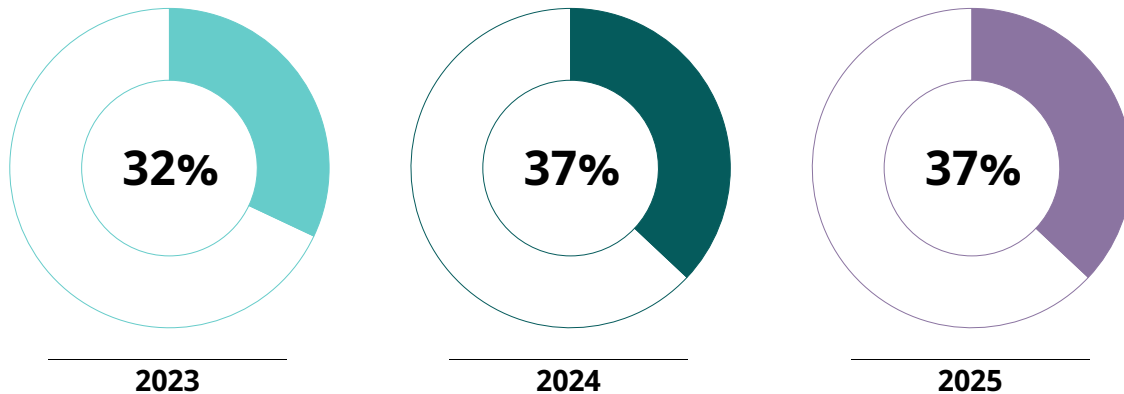
An investor relations framework built on clear contact channels, and timely interaction strengthens credibility and long-term shareholder engagement.

As investor expectations around transparency continue to rise, having clear and accessible communication channels is becoming increasingly important. Only 37 of the BSE100 companies provided detailed contact information for their investor relations team. While most companies named a designated contact, 56 listed only a board line

⁹ Related Reading: [RBI on auditor appointments: The slip between the cup and the lip](#)

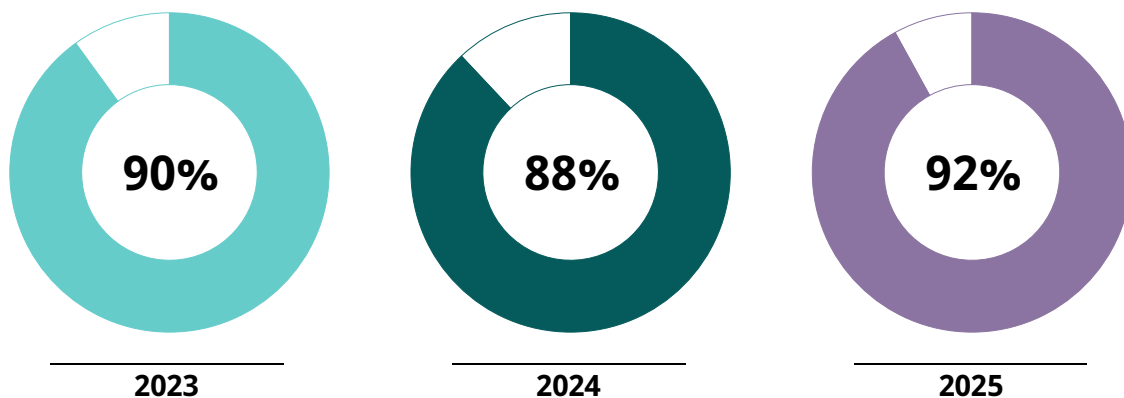
number or a generic email address, and eight companies did not disclose a specific point of contact at all.

Exhibit 36: Companies that disclosed the names and contact details of investor relations person /team on their website



Companies are increasingly recognizing the importance of proactive engagement with institutional investors, often hosting dedicated investor calls to clarify transactions or complex merger and acquisitions. In 2025, 92 of the BSE100 companies held regular investor calls and made transcripts or recordings publicly available. These calls mainly cater to equity analysts and institutional investors; however, open access allows retail shareholders to stay informed, reducing the information gap.

Exhibit 37: Companies that have regular investors calls and publicly disclose the transcripts or recordings of these calls

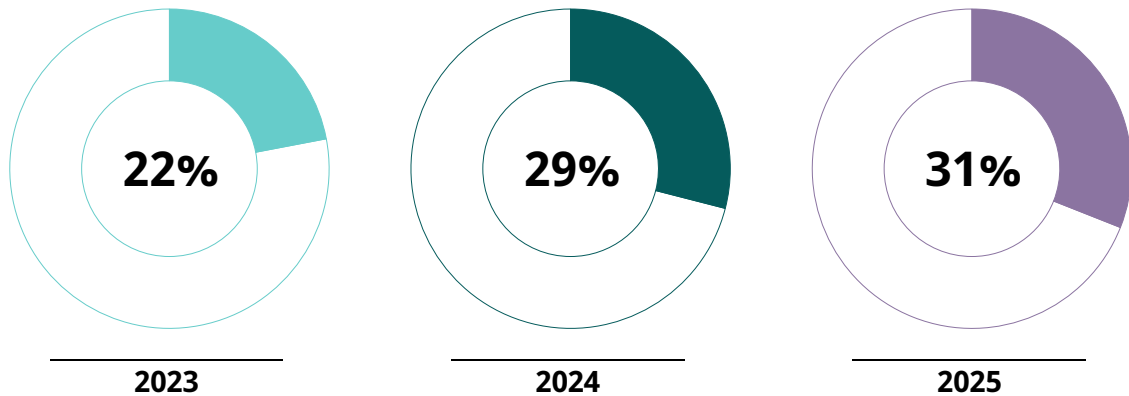


Globally, institutional investors have avenues to engage with independent directors. In India, such access is limited - investors primarily interact with executive directors during earnings calls, while independent directors, including those on key committees like AC and SRC, remain at a distance.

A simple yet effective measure is to adopt a robust investor grievance policy that clearly defines an escalation matrix, with the SRC as the highest level of escalation. Many companies provide generic guidelines, but few offer a clear escalation mechanism if concerns go unresolved. While some have introduced formal policies, most still rely on

SEBI Complaints Redressal System (SCORES) as the primary grievance redressal platform.

Exhibit 38: Companies that have a publicly available policy to handle investor grievances



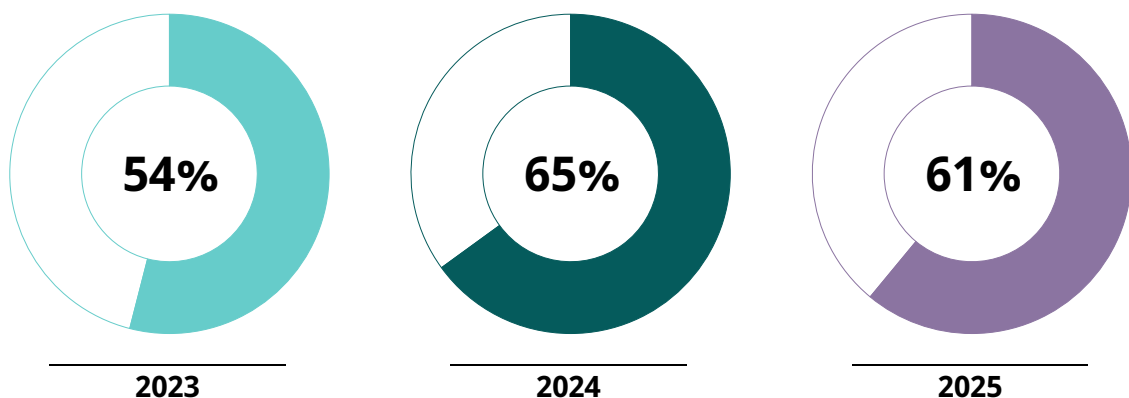
DIVIDENDS

Indian companies have traditionally held large cash balances. IiAS' 2025 Dividend and Buyback Study shows that dividends and buybacks reached record levels. However, several companies continue to retain significant cash without clearly explaining how it will be used.

To improve transparency, SEBI required the top 1,000 listed companies to disclose dividend distribution policies. In 2025, 61 of the BSE 100 companies disclosed a target payout, compared to 65 in 2024, mainly due to changes in index constituents. Further, 23 companies did not meet their stated targets and did not provide explanations or additional guidance to investors.

For banks and NBFCs, the RBI regulates dividend payouts. PSUs follow guidelines set by the Department of Public Enterprises (DPE). But beyond these exceptions, the responsibility lies with the board, which should clearly explain its approach to capital allocation rather than relying only on regulatory requirements.

Exhibit 39: Dividend policies that articulate a targeted payout ratio



INVESTOR DISSENT

Investors are increasingly vocal in questioning corporate practices. However, this growing pushback has yet to translate into a higher number of shareholder resolutions being rejected, largely because promoters continue to hold dominant shareholdings and exercise decisive voting control. As a result, despite investor concerns around issues such as executive remuneration, board independence, and related-party transactions, promoter voting power continues to outweigh minority shareholder influence.

In 2025, out of the 11,262 resolutions covered by IiAS, 55 resolutions were defeated – however, none of the resolutions (that were rejected by shareholders) were proposed by BSE100 companies.

Exhibit 40: Companies that had their shareholder proposals rejected by investors

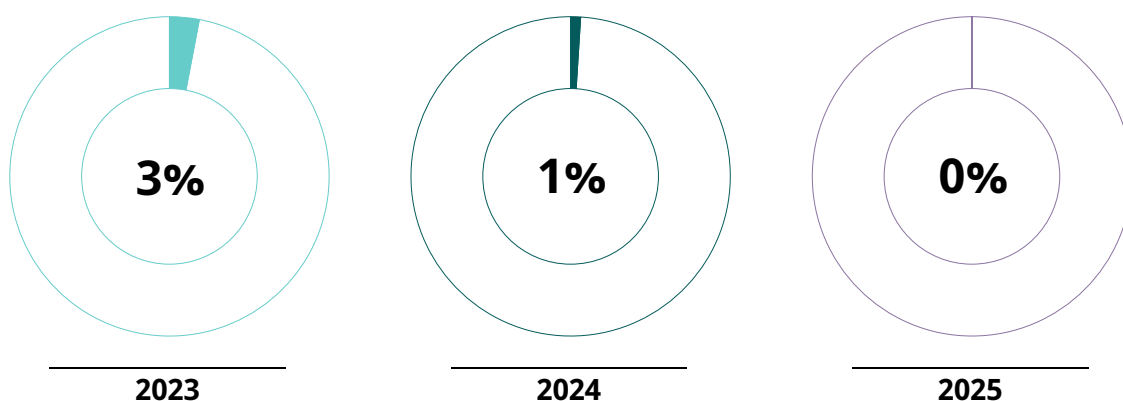
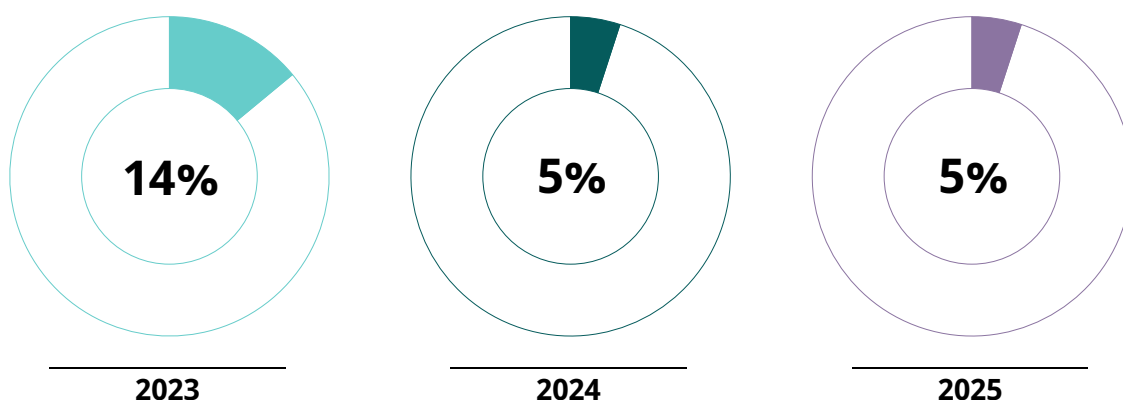


Exhibit 41: Companies that had their shareholder proposals carried by the promoter vote – majority of minority votes did not support the resolution



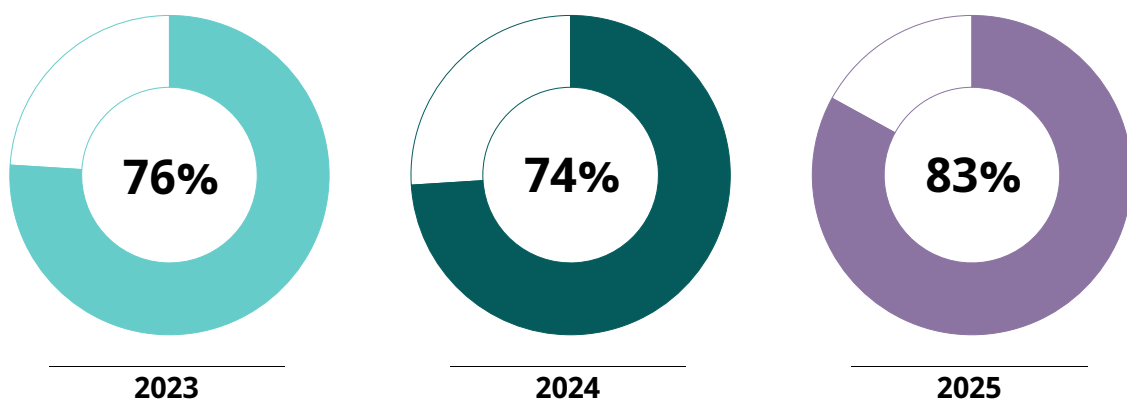
India is a market where companies must disclose voting outcomes by investor category, ensuring a level of transparency in shareholder decision-making. Most companies comply with this requirement, but investors are increasingly looking for deeper insights beyond just voting results.

Recent trends highlight how investor scrutiny has influenced board decisions, leading to withdrawn resolutions and revised proposals. However, companies often engage only

after facing resistance, rather than fostering open dialogue beforehand. Enhancing disclosures around investor engagement, proxy advisory feedback, and board rationale for key resolutions can build trust.

Boards could adopt (or SEBI could mandate) what is commonly practices in other markets: if a resolution receives significant opposition (defined, for instance, as more than 10% of votes cast against), the board would be obliged to formally engage with the minority shareholders and understand their concerns. Thereafter, within a specified timeframe (e.g., four months), the board would be required to disclose the steps taken to address these concerns, which could include, where necessary, amendments to the original resolution.

Exhibit 42: Companies where voting details of each shareholder category was disclosed and reasons for invalid votes was articulated



CREATING HOLDING STRUCTURES OR MECHANISMS FOR BETTER CONTROL

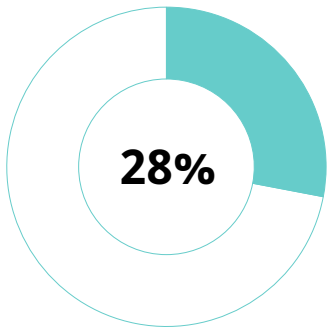
Promoter groups often consolidate control through layered and complex shareholding structures. Additionally, the classification of closely related family members as public shareholders can also skew voting outcomes in favour of promoters, reducing the effectiveness of minority shareholder participation.

Promoter groups may exercise disproportionate control through carefully structured shareholding arrangements, particularly in cases where both the holding company and the operating subsidiary are publicly listed. While from the investors' perspective, the valuations factor in a holding-company discount, this does not account for the promoters' voting rights in the operating subsidiary that is often higher than their economic interest.

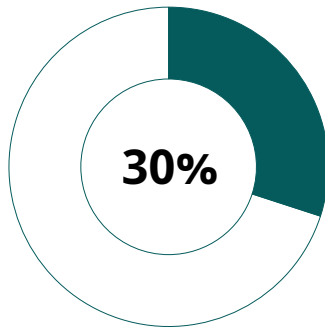
Another common structure involves promoters directly holding stakes in operating subsidiaries where the listed company is the majority shareholder. This allows them to benefit from the subsidiary's success while shifting risks and financial burdens to the listed entity.

In 2025, 32 of the BSE100 companies had structures that could disadvantage minority shareholders.

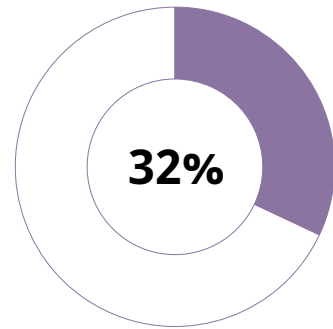
Exhibit 43: Companies where there are structures and mechanisms that could violate minority shareholders' rights



2023



2024



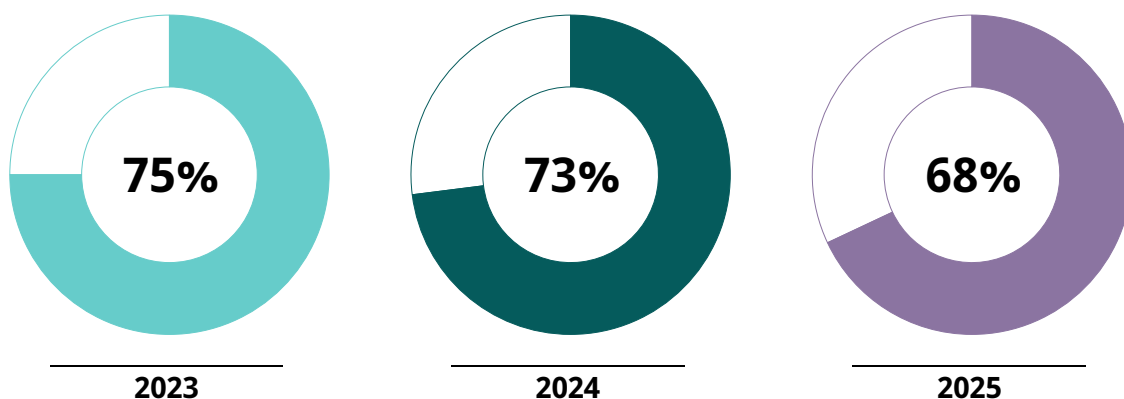
2025

FINANCIAL STATEMENTS AND AUDITORS

FINANCIAL STATEMENT REPORTING

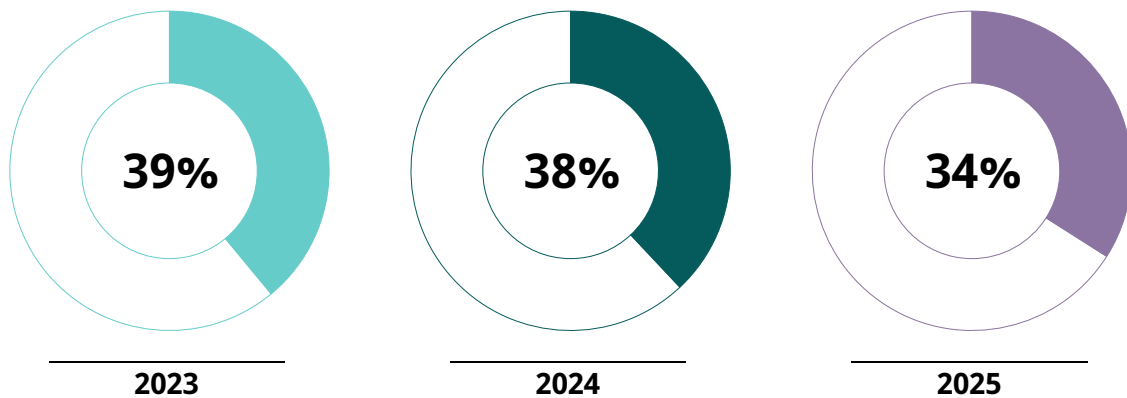
Greater regulatory and investor focus on audit quality has raised the bar for audit reporting. Despite the scale and prominence of BSE100 companies, only 68% had audit reports, where auditors did not raise concerns. In 2025, a bank came under regulatory scrutiny after gaps were identified in internal controls, and compliance and risk management processes, leading to leadership changes and insider-trading actions against senior executives. Of the BSE100 companies, four received qualified audit opinions, while 28 included emphasis of matter paragraphs in their audit reports. This represents an increase over 2024, largely driven by new entrants to the index that either carry, or have carried, emphasis of matter remarks during the past three-year look-back period. While these observations do not constitute formal qualifications, they highlight specific areas that warrant closer scrutiny from investors.

Exhibit 44: Companies where auditors have not raised any concerns on financial statements



Segment disclosures remain inconsistent across companies. While the Management Discussion & Analysis (MD&A) section often details business segments, the financial statements do not always align with these narratives. Regulations define what qualifies as a separate segment, but managements have leeway in interpretation. In some cases, businesses with distinct risk profiles and revenue streams are clubbed together, limiting investor clarity. A practical benchmark would be to disclose segments as they are reported to the board for performance reviews. This ensures transparency and helps investors assess business drivers more accurately.

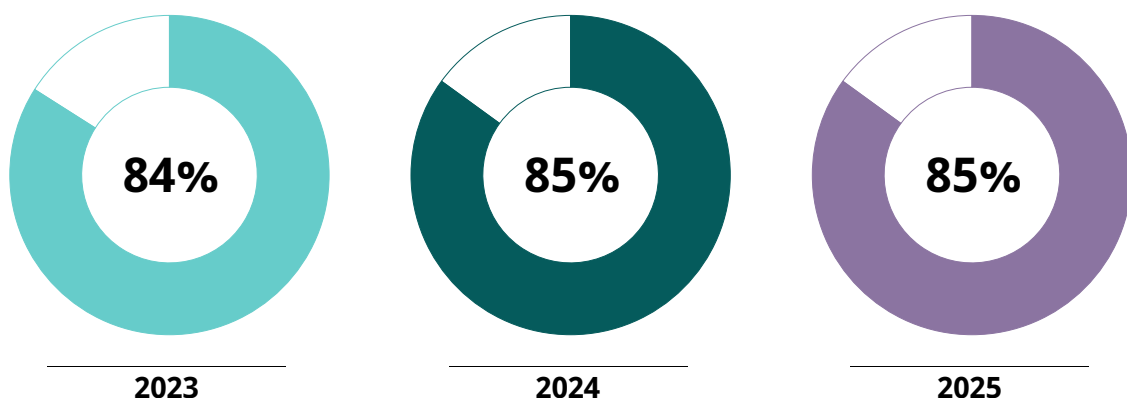
Exhibit 45: Annual reports where segment information is comprehensively disclosed



AUDIT QUALITY

Internal audit serves as the first line of defence, ensuring risk management and process integrity. While most companies have an internal audit function, its effectiveness depends on having a well-defined charter, adequate staffing, and operational independence. Best practices suggest that internal audit should report directly to the audit committee, rather than management, to maintain objectivity. However, company disclosures on their internal audit frameworks remain limited. Some firms outsource the function to external audit firms, while others rely on in-house teams. Regardless of the structure, the function’s primary objective should be to protect business operations through proactive risk identification and mitigation. In 2025, there was little change from the previous year in transparency around audit scope, reporting structures, and independence.

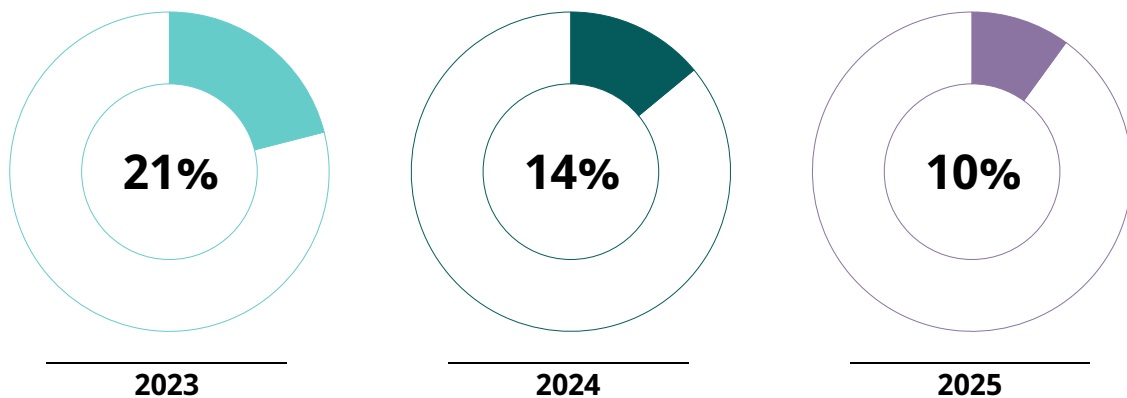
Exhibit 46: Companies where internal audit function reports directly to the audit committee



Auditors are appointed for five-year terms in companies and three-year terms in banks and NBFCs. At the time of appointment companies usually disclose broad details about the audit firm. However, disclosures relating to auditor independence, qualifications, and the selection process remain limited. While regulations encourage transparency, many companies provide only minimal explanation for the choice of a particular audit firm or the assessment of its competence. Further, as a best practice, Audit Committees are expected to periodically assess the independence and quality of statutory auditors. This is critical since auditor appointments are not renewed annually.

The National Financial Reporting Authority (NFRA) has played an active role in strengthening audit oversight in India. The regulator has not only recommended accounting and auditing standards but has also highlighted instances of non-compliance and areas where audit practices can be improved. In several cases, NFRA has pointed out deficiencies in audit firms' risk assessments and internal quality control measures. In FY25, an NFRA inspection of an audit firm revealed that the firm did not adequately perform arm's length testing of related party transactions and there were deficiencies in maintaining sufficient documentation. Another inspection of an audit firm revealed that in some selected audit engagements the audit firms did not perform sufficient and appropriate audit procedures for the verification of related party transactions being on arm's length basis and there was inadequate evaluation of competence, capability, objectivity and work of the auditor's expert. While these observations from the NFRA have enhanced accountability for auditors, their longer-term impact on audit quality is still unfolding.

Exhibit 47: Boards that provided information about the independence, competence and experience of the statutory auditors

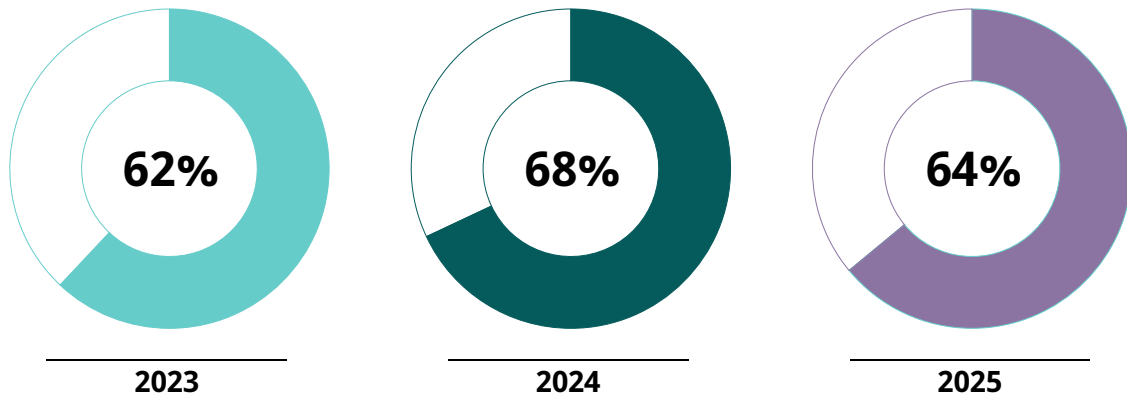


NON-FINANCIAL DISCLOSURES

Non-financial disclosures provide investors with a holistic understanding of a company's performance. Companies are increasingly providing clearer segment level details, explaining industry trends, and outlining key risks and opportunities. Post-COVID, risk disclosures have evolved beyond black swan events to address systemic challenges like supply chain vulnerabilities, climate risks, regulatory changes and geopolitical uncertainty. Tech firms now spotlight data security, while manufacturers navigate geopolitical risks, sustainability pressures, energy cost volatility, and transition risks

linked to decarbonisation. Similarly, banks are also expanding disclosures around asset quality, concentration risks, fraud risks, and stress scenarios. Investors increasingly rely on these disclosures to assess risk, resilience, and sustainability.

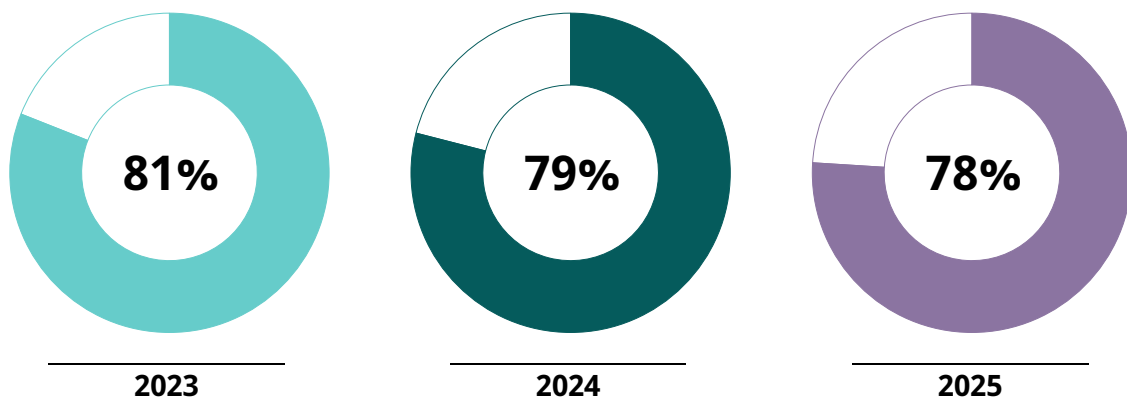
Exhibit 48: Companies that have clearly outlined business risks and mitigation strategies in their annual reports



With investors increasingly demanding ESG data, BSE100 companies have strengthened sustainability disclosures. SEBI's mandate for the Business Responsibility and Sustainability Report (BRSR) has shifted ESG reporting from a compliance requirement to a core business priority.

SEBI has taken a more targeted approach to ESG reporting by emphasising BRSR Core within the broader BRSR framework. This is expected to enhance the consistency and reliability of ESG data, improve comparability across companies, and reduce the risk of greenwashing.

Exhibit 49: Companies that follow Integrated Reporting or have published a sustainability report



SUSTAINABILITY AND STAKEHOLDER MANAGEMENT

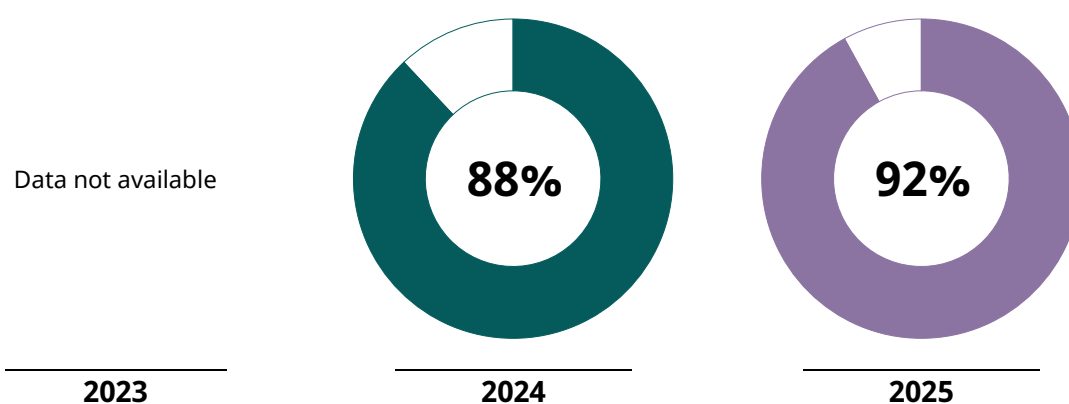
Global developments such as climate volatility, geopolitical tensions, supply-chain disruptions, and heightened scrutiny of ESG practices have reinforced the importance of sustainability and stakeholder management.

The 2023 update to the G20/OECD Principles of Corporate Governance introduced a standalone chapter on Sustainability and Resilience, replacing and expanding the earlier Role of Stakeholders section. It provides guidance on how companies should address climate risks, sustainability issues, and long-term resilience.

WHO OVERSEES SUSTAINABILITY?

In India, sustainability considerations are gradually gaining visibility at the board level. ESG risks – such as climate impacts, regulatory changes, and supply-chain disruptions – are increasingly recognised as having implications for long-term business resilience. Where responsibility is assigned to the board or a board-level committee, sustainability is more likely to be considered within strategic discussions rather than treated as a standalone initiative. Among BSE100 companies, 88 had adopted such an approach in 2024, increasing to 92 in 2025, indicating that companies consider sustainability to be a board level agenda.

Exhibit 50: Companies that have Board members overseeing sustainability practices



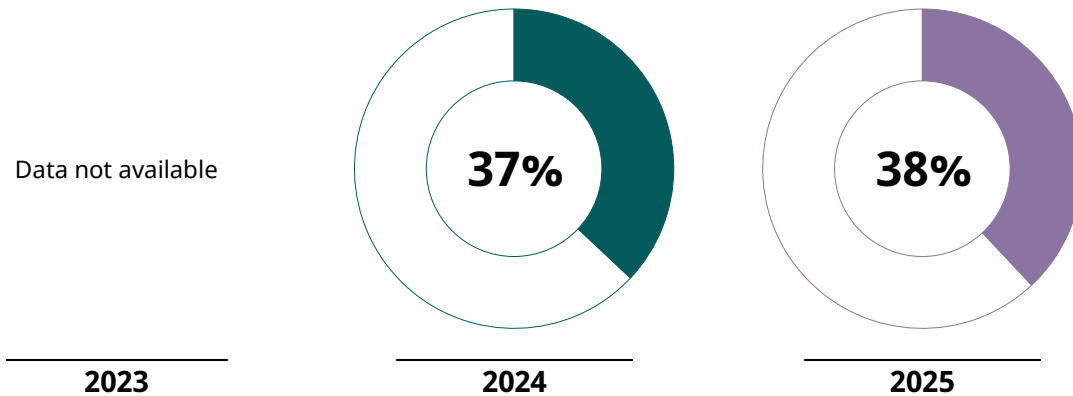
ASSESSMENT OF BRSR DATA

Independent validation enhances credibility, mitigates the risk of greenwashing, and reinforces investor confidence. To improve transparency, SEBI introduced the Business Responsibility and Sustainability Report (BRSR) framework, mandating the top 1000 listed companies to disclose key ESG metrics with effect from FY23. In 2023, this was further refined with BRSR Core, mandating reasonable assurance/assessment on select ESG parameters.

Yet, companies have approached this requirement with varying degrees of commitment. For assessment, those reasonable assurance/assessment to BRSR Core alone did not

receive the maximum points. Among the BSE100, only 38 have sought independent validation beyond the mandated BRSR Core.

Exhibit 51: Companies that have had their BRSR data independently verified for CORE and select other parameters

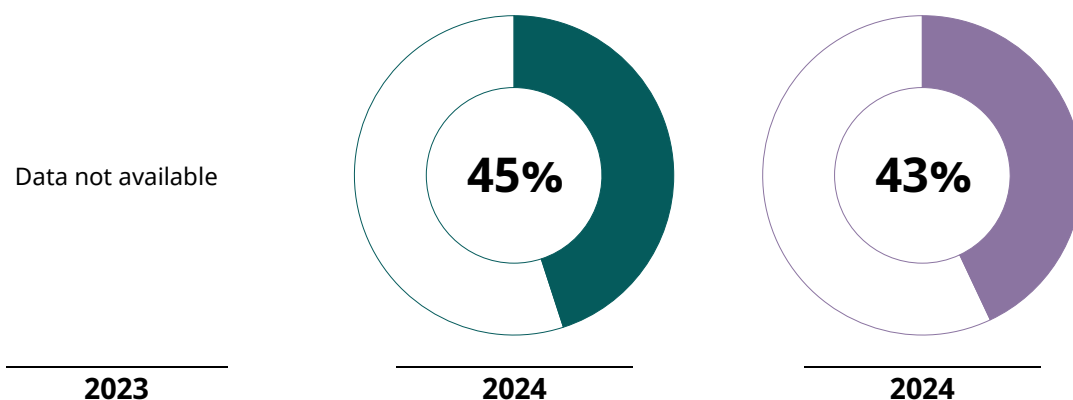


CLIMATE RISK

We introduced climate risk disclosures in the scorecard last year to push companies towards more transparent and accountable reporting. Climate risks are increasingly viewed as having tangible financial and operational implications. Investors need clarity on how businesses assess these risks and what measures are being taken to mitigate them.

In 2025, 43 of the BSE100 companies have outlined both their climate risks and mitigation strategies. However, a similar number of companies identified climate risks but provided only generic or limited mitigation disclosures. In addition, 14 companies made no climate-related disclosures at all, though this represents a modest improvement from 17 companies in 2024.

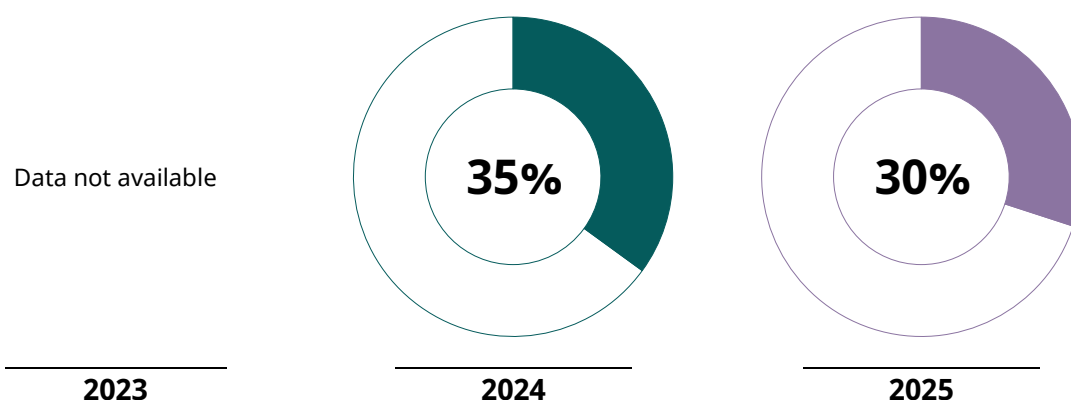
Exhibit 52: Companies that have provided comprehensive disclosures on climate risks



NET ZERO TARGETS

India aims to achieve net zero emissions by 2070, with corporate India expected to play a key role in doing so. However, progress on corporate transition planning has moderated. In FY25, the number of BSE100 companies that disclosed net zero or carbon-neutral targets supported by action plans or interim milestones fell to 30 from 35 in 2024. This is primarily attributable to the change in index constituents. Another 32 companies disclosed net zero targets without interim milestones, while 38 companies made no net zero commitments. Net zero goals persist, but improvements in disclosure quality remains limited.

Exhibit 53: Companies that have disclosed their net zero target along with interim targets



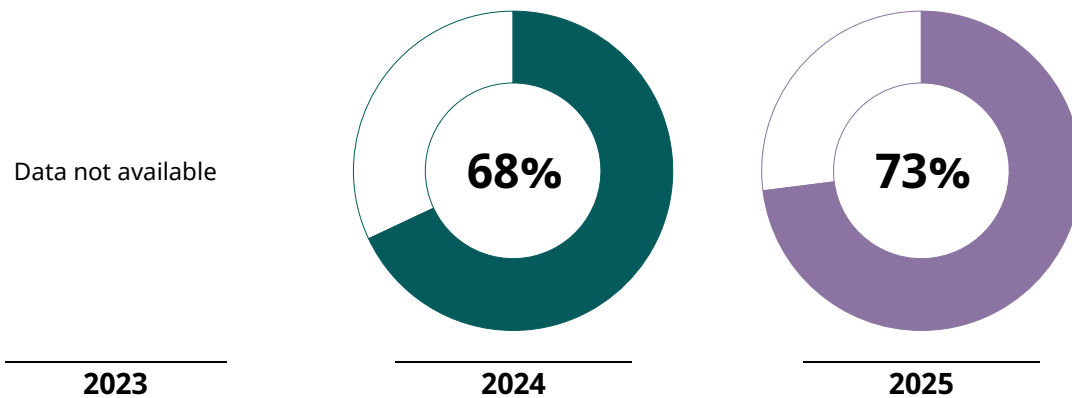
Related IiAS' Research: [Greening of Corporate India](#)

SUSTAINABLE DEVELOPMENT GOALS (SDGs)

The 2030 Agenda for Sustainable Development, adopted in 2015 by all United Nations Member States, established a global framework of 17 interconnected goals known as the United Nations Sustainable Development Goals (UN SDGs). These goals are aimed at addressing pressing global challenges, from climate action to gender equality and responsible consumption. Though initially designed for governments, they are now widely used as a benchmark for corporate sustainability. Investors increasingly use alignment with the UNSDGs to assess long-term risk management and resilience of companies' sustainability strategies.

On our corporate governance scorecard, we evaluate whether companies have moved beyond symbolic commitments to UNSDGs and embedded them into their operations. Companies are increasingly treating alignment with the UNSDGs as a strategic consideration, rather than limiting it to corporate social responsibility. In 2025, 73 of the BSE100 companies have taken steps toward alignment compared with 68 companies in 2024. As a next step, companies must demonstrate measurable progress against the SDGs most relevant to their operations

Exhibit 54: Companies that have taken steps to align their initiatives with the UNSDGs



GLOBAL REPORTING STANDARDS

Global reporting frameworks such as the Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB), Carbon Disclosure Project (CDP), and Task Force on Climate-related Financial Disclosures (TCFD) provide structured methodologies that enhance consistency, comparability, and credibility in sustainability reporting across industries and geographies.

GRI comprises widely used standards for sustainability reporting, aiding organizations to disclose their impacts on issues like climate change and human rights in a standardized format ([globalreporting.org](https://www.globalreporting.org)).

SASB, now under the International Sustainability Standards Board (ISSB), identifies industry-specific sustainability factors that are financially material, allowing investors to compare company performance within and across sectors ([sasb.ifrs.org](https://www.sasb.ifrs.org)).

CDP provides a standardized platform for environmental disclosures, enabling benchmarking of corporate climate strategies ([cdp.net](https://www.cdp.net)).

ISSB Framework, established by the IFRS Foundation, consolidates existing standards like TCFD, SASB, and CDP, focusing on governance, strategy, risk management, and metrics & targets ([ifrs.org](https://www.ifrs.org)).

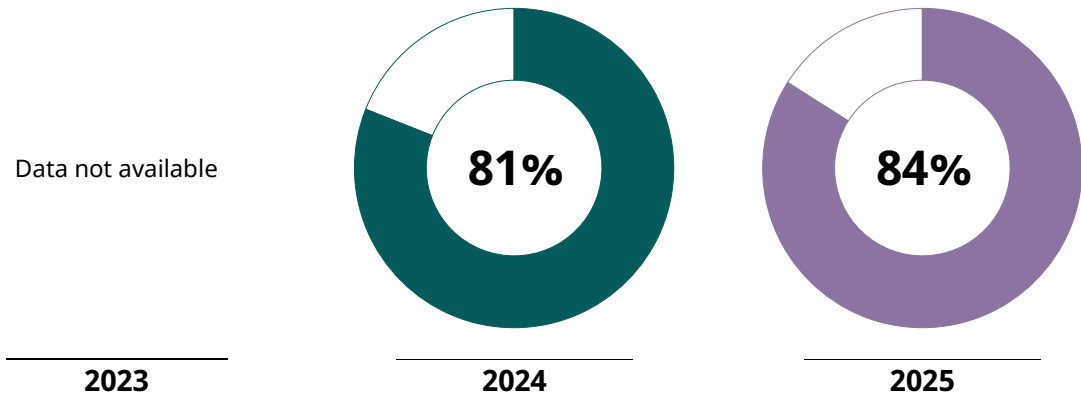
TCFD, established by the Financial Stability Board, enhances climate-related financial disclosures, ensuring that companies report risks and opportunities in a structured and comparable manner ([fsb-tcfid.org](https://www.fsb-tcfid.org)). In July 2023 the Financial Stability Board (FSB) announced that the work of the Task Force on Climate-related Financial Disclosures (TCFD) has been completed, with the ISSB Standards marking the '[culmination of the work of the TCFD](#)'.

TNFD builds on the TCFD (Task Force on Climate-related Financial Disclosures) model and focuses on biodiversity, ecosystem services, and natural capital ([tnfd.global](https://www.tnfd.global)).

[The Science Based Targets initiative \(SBTi\)](#) provides a globally recognised framework that enables companies to set greenhouse gas emissions reduction targets aligned with climate science and the goals of the Paris Agreement.

These frameworks drive uniformity and align sustainability reporting with financial disclosures. 84 of the BSE100 companies have adopted at least one of these frameworks, reinforcing the shift toward standardized sustainability reporting.

Exhibit 55: Companies that have adopted global reporting and disclosure standards



EMISSIONS AND WATER CONSUMPTION

Environmental performance improvements are increasingly reflected in operating metrics. Multiple global frameworks, including the UNEP and CDP, emphasize that lowering emissions and water usage is essential for long-term resilience. Investors view reductions in emissions and water intensity as signals of operational efficiency and climate readiness. Among BSE100 companies, 62 reported lower Scope 1 and 2 emissions intensity and 58 reduced water consumption intensity.

Exhibit 56: Companies that have reduced their Scope 1 + Scope 2 Emission intensity

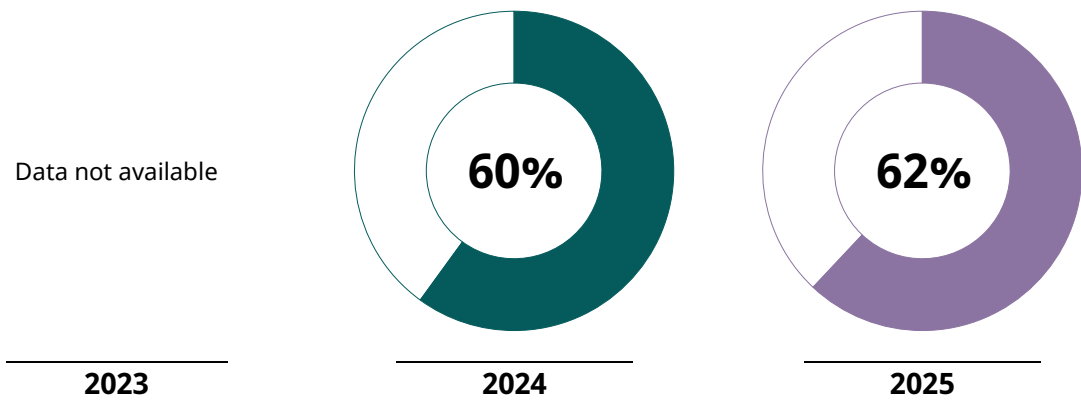
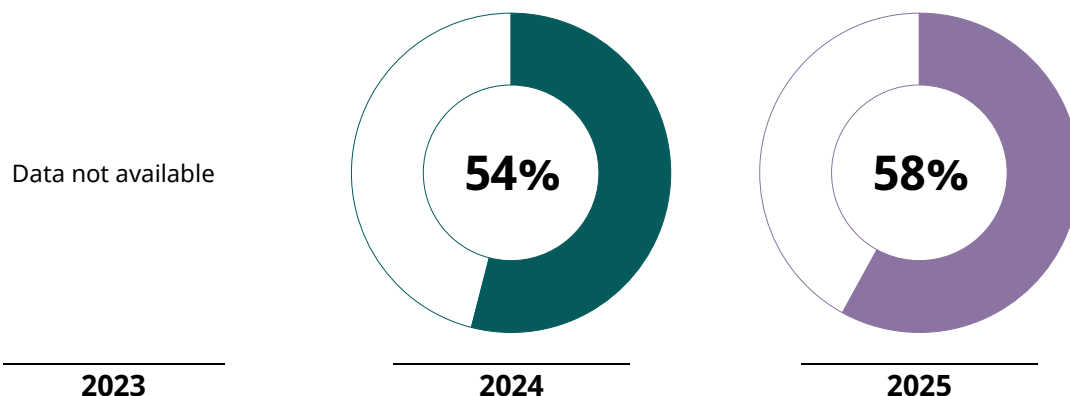


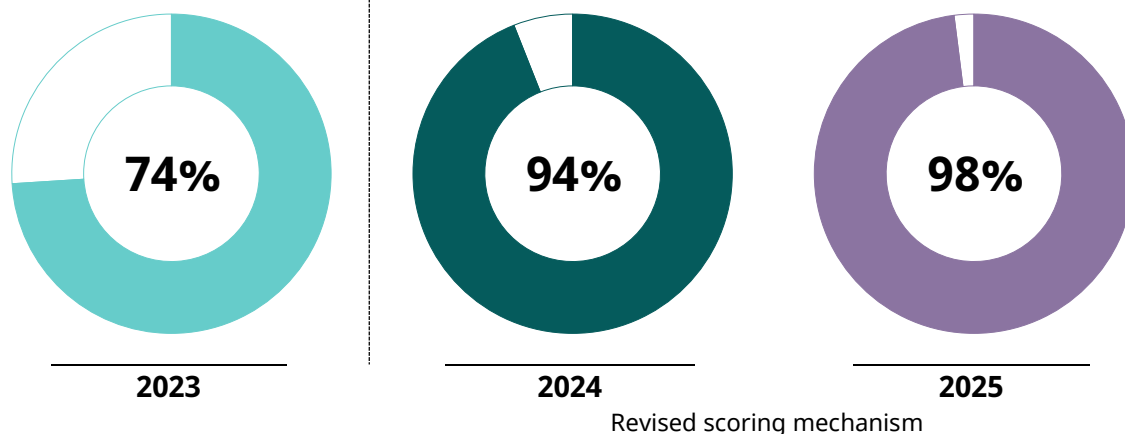
Exhibit 57: Companies that have reduced their water consumption intensity



CSR SPENDS

CSR has become a structured obligation, with almost all companies aligning with the 2% mandate except for PSUs, which have faced challenges deploying funds effectively within a given timeframe. IiAS adjusted its assessment in 2024 after market feedback, now considering funds parked in unspent CSR accounts. Long-term projects require phased funding and measuring CSR by impact rather than just annual spending leads to more effective outcomes. With this shift, the number of companies meeting the 2% requirement has risen over the past two years.

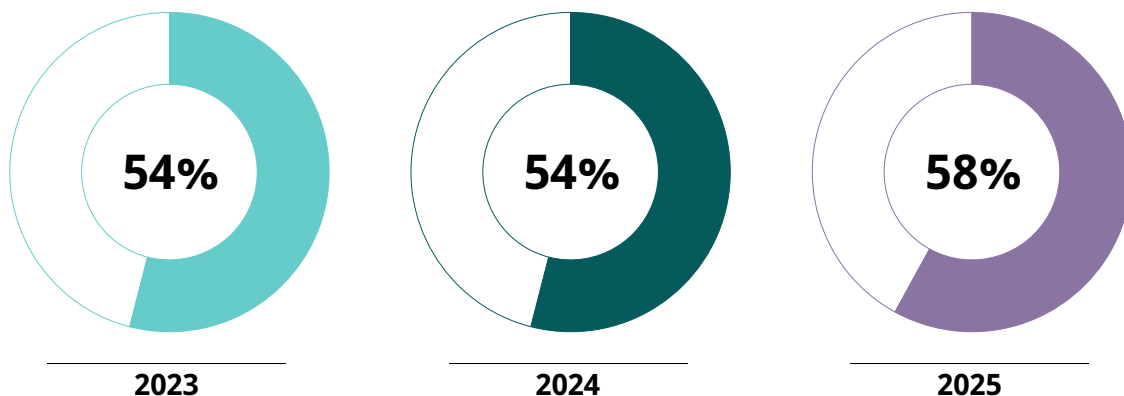
Exhibit 58: Companies spent at least 2% of their past three-year average profits on CSR



Regulations introduced in January 2021 require companies with CSR expenditure above Rs. 100.0 million to commission impact assessments for projects costing more than Rs. 10.0 million. While compliance with the 2% CSR spend is largely achieved, the practice of systematically evaluating outcomes remains limited. In FY25, 58 BSE 100 companies reported undertaking impact assessments, up from 54 in FY24 and FY23. The incremental increase indicates that such assessments are typically undertaken to meet

statutory triggers, rather than reflecting a wider commitment to measuring the effectiveness of CSR programmes.

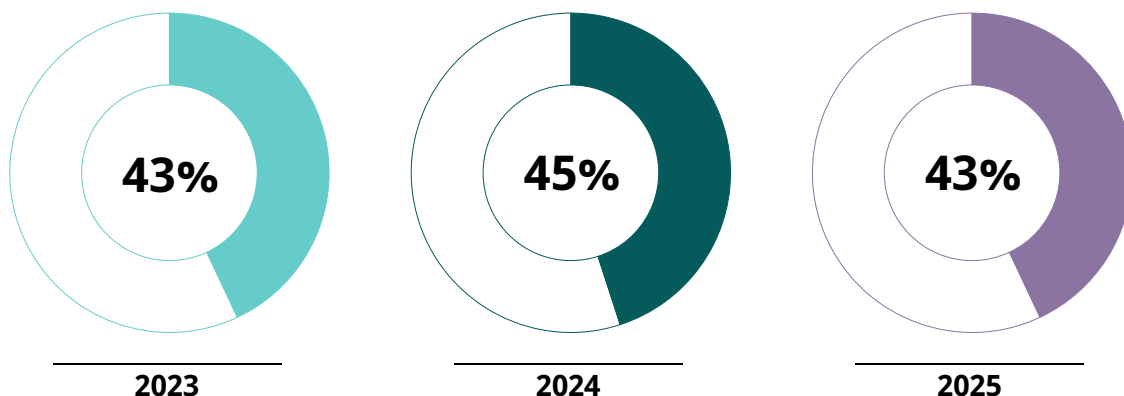
Exhibit 59: Companies that have undertaken an impact assessment of their CSR spends and disclosed the results



WHISTLE-BLOWER MECHANISMS

A robust whistle-blower mechanism allows concerns to be raised confidentially by employees as well as other stakeholders, without the risk of retaliation. In the Indian context, audit committees oversee whistle-blower complaints; however, many companies continue to restrict anonymous reporting, which can discourage disclosures. Whistle-blower policies should therefore apply to all stakeholders, not just employees. Progress on this front remains limited, with only 43 BSE100 companies having policies that permit anonymous complaints and extend coverage to all stakeholders. An effective policy should clearly set out the types of concerns covered, available reporting channels, investigation and resolution processes, indicative timelines, and measures to safeguard anonymity.

Exhibit 60: Companies with whistle-blower policies that extend to all stakeholders, including employees, customers, and suppliers



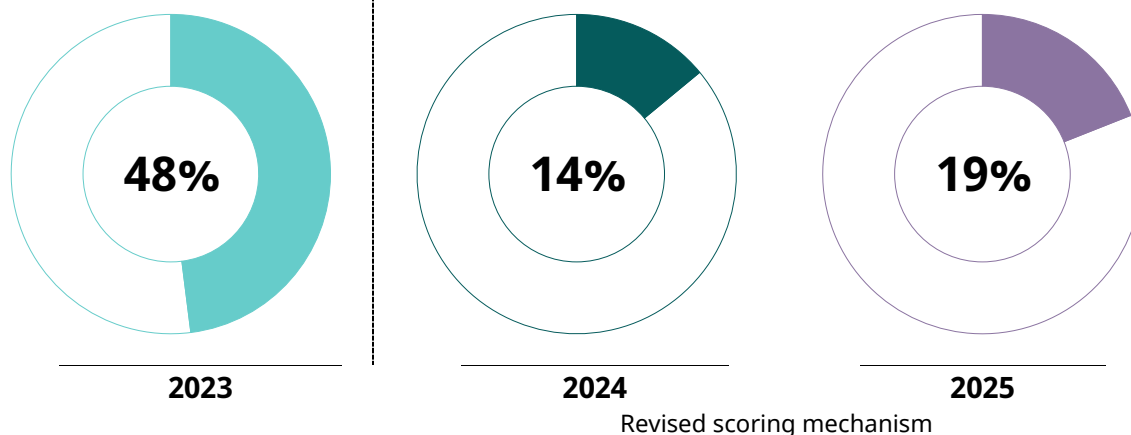
HEALTH AND SAFETY OF EMPLOYEES

While health and safety have long been central to manufacturing, the concept of workplace safety is expanding in the services sector to include mental health, protection from harassment, and overall employee well-being. Clear policies and transparent disclosures help set expectations and demonstrate a company's commitment to protecting its workforce.

Most companies meet the mandatory requirement of having a POSH policy, but many have yet to make these policies gender neutral. While health and safety policies are in place across several organizations, limited public disclosure raises questions about how effectively they are implemented. The absence of transparency makes it difficult for stakeholders (employees, investors, and regulators) to evaluate a company's commitment to workplace safety, and more importantly, restricts employees' ability to access these policies when they need them most.¹⁰

In 2024, we had tightened the scoring framework for the health and safety question. Companies that fail to disclose a health and safety policy or report incidents were scored zero. Any fatality automatically results in disqualification from full points, and companies are expected to demonstrate a declining trend in workplace injuries. One year hence, only 19 of the BSE100 companies met the higher scoring standards this year, an increase from 14 last year.

Exhibit 61: Companies with publicly disclosed health and safety policy and reported the incidents under the policy

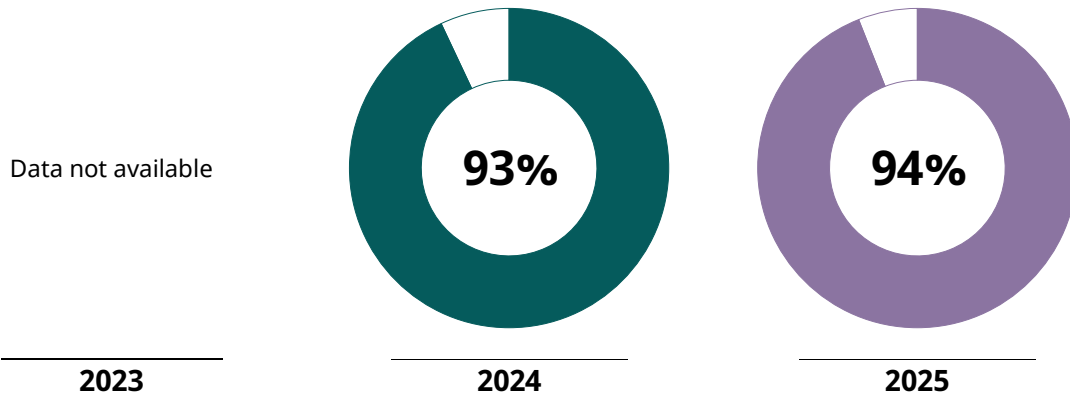


Under the revised scorecard in 2024, we also assessed whether companies provide healthcare and accident insurance to all their permanent employees and workers, based on BRSR disclosures. One year hence, the BRSR framework continues to drive greater corporate accountability, with 94 of the BSE 100 now ensuring full coverage. However, it is pertinent to note that there exists a disparity in the interpretation of the reporting boundaries, particularly with respect to the inclusion of temporary and contractual workers. These differences affect disclosures on fatalities as well as the coverage of

¹⁰ Related reading: [India Workplace Safety Report](#)

healthcare and accident insurance, limiting the comparability and reliability of reported data.

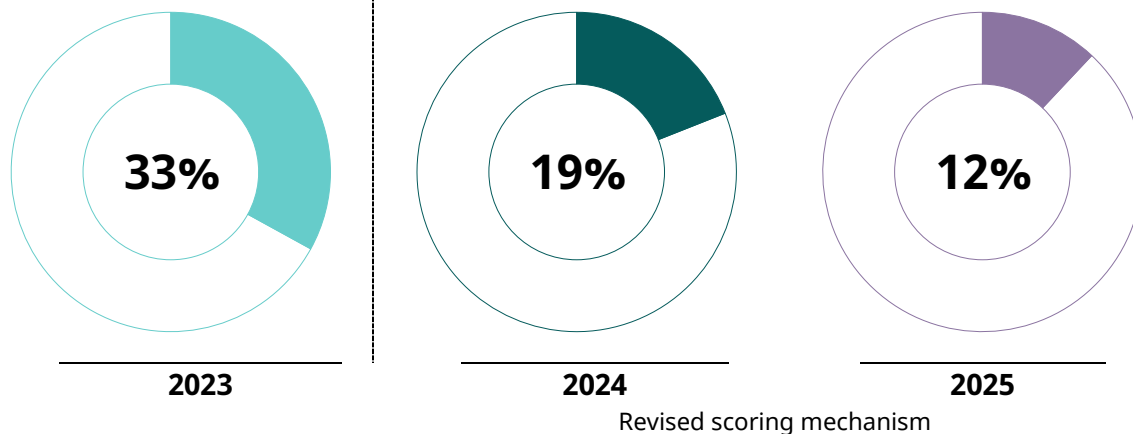
Exhibit 62: Companies offering healthcare and accident insurance to 100% of the workforce*



*This includes only permanent workforce

The scoring criteria for POSH disclosures have been tightened from 2024 onwards. Previously, companies could score a point if they disclosed either the POSH policy or the number of reported incidents. Under the revised scorecard, failure to report either, results in zero points. For a policy to be considered effective, it must be gender-neutral, explicitly commit to prevention, and detail the reporting, redressal, and inquiry process. It must also disclose the names and email addresses of the POSH committee members. As a result, only 12 companies scored full points this year.

Exhibit 63: Companies with publicly disclosed POSH policy and reported the incidents under the policy



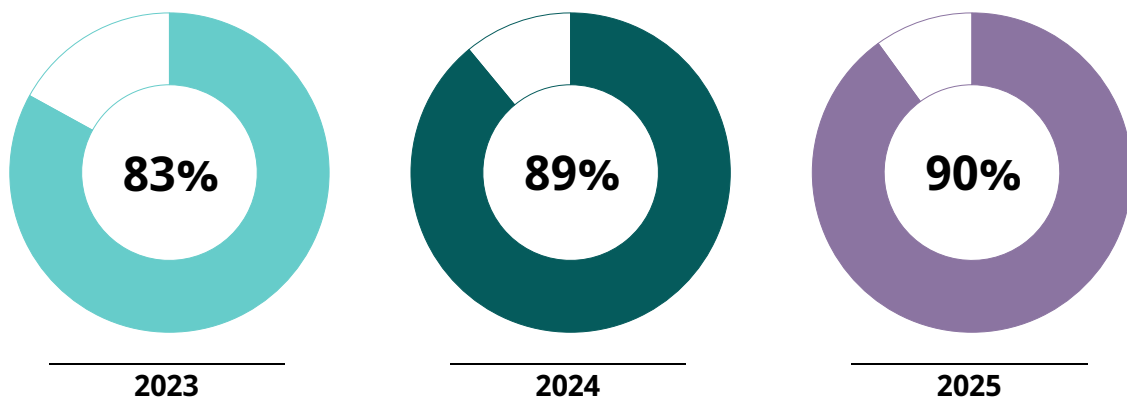
ETHICS POLICY AND CODES OF CONDUCT

A well-defined code of conduct and ethics policy is fundamental to shaping corporate culture and establishing clear expectations for acceptable behaviour. However, policies alone are not enough - their true effectiveness lies in consistent enforcement. Boards must ensure that ethical standards apply equally to all, including promoter-group

directors, where past instances have shown selective application of disciplinary measures.

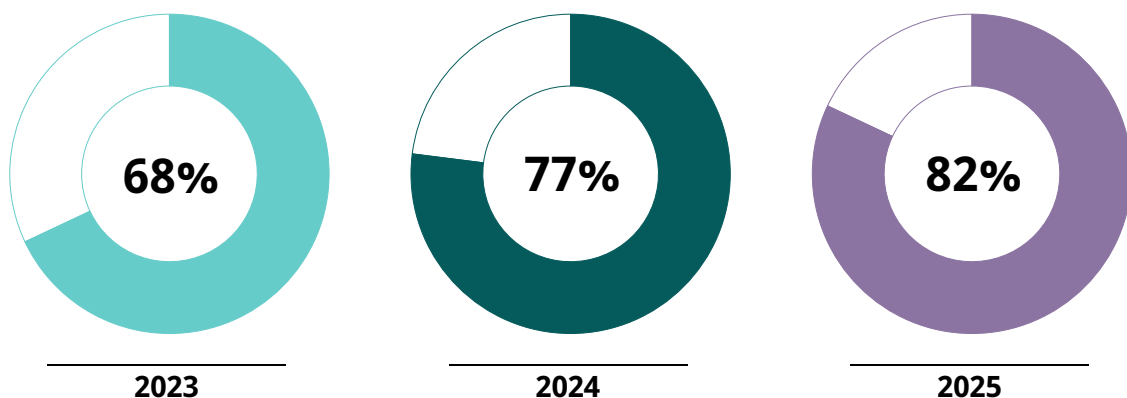
Under the revised scorecard, we have also considered instances where companies have taken disciplinary action against directors, key managerial personnel (KMPs), and employees for bribery and corruption, as per disclosures under the BRSR framework.

Exhibit 64: Companies that have a publicly available ethics policy/code of conduct



Bribery and corruption are concerns in most markets – India being no different. As good corporate citizens, companies must actively prohibit such behaviour. Yet not all the BSE100 companies have explicitly curtailed bribery and corruption through their codes of conduct and ethics policies.

Exhibit 65: Companies that explicitly prohibit bribery and corruption through their codes of conduct and ethics policies



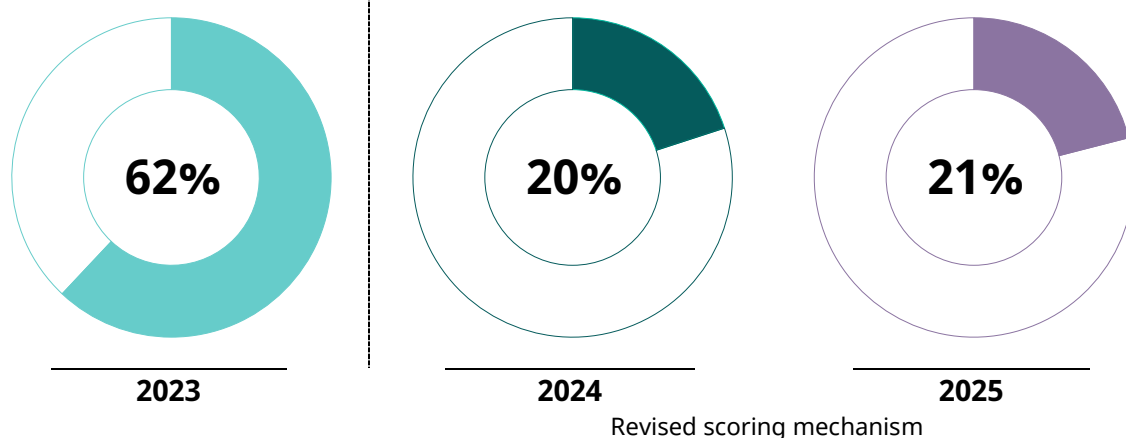
TREATMENT OF SUPPLIERS

During the pandemic, many large companies prioritised preserving their own liquidity, often by extending payment timelines to suppliers. This behaviour has continued, with broader consequences for supply-chain stability and credit markets.

In 2025, 79 of the BSE100 companies delayed payments to suppliers. These delays can strain suppliers' cash flows - particularly for MSMEs - leading to higher financing costs and, in some cases, scaled-back operations. For lenders, delayed repayments increase credit risk and can lead to liquidity mismatches, impacting lending capacity.

In 2024, IiAS has expanded its assessment of payment delays beyond just MSMEs to include all suppliers.

Exhibit 66: Companies that made timely payments to suppliers and / or lenders



09. CONCLUSION

The 2025 assessment under the Indian Corporate Governance Scorecard points towards a steadily strengthening governance landscape. Corporate India has moved beyond the initial phase of regulatory adoption to a more considered and outcome-oriented engagement with governance. The improvement in median scores across the BSE 100, coupled with the continued absence of companies in the Basic category, is particularly noteworthy given that the assessment framework itself has become more demanding.

Boards have played a central role in this progress. The mandatory refresh of long-tenured independent directors has reshaped board composition, creating room for greater independence, skill diversity, and fresh perspectives. While this transition has presented challenges around continuity and institutional memory, most companies have used it to strengthen oversight. At the same time, gaps in succession planning, executive pay alignment, and committee effectiveness indicate that boards must continue to focus on governance outcomes, not just structure.

Sustainability and resilience are emerging as core governance priorities. Companies are increasingly recognising climate risks, supply-chain vulnerabilities, workforce well-being, and ethical conduct as integral to long-term business performance. Regulatory initiatives such as the BRSR and BRSR Core have improved the availability of ESG data; however, the quality and consistency of disclosures remain uneven.

Investor engagement has also evolved in meaningful ways. Institutional investors are more informed and assertive, particularly on issues such as related party transactions, special rights, promoter remuneration, and disclosure standards. While promoter ownership continues to influence voting outcomes, companies are increasingly responding to investor concerns through deeper engagement, clearer rationale, and, in some instances, revised proposals. This shift reflects a growing recognition that transparency and credibility are essential to maintaining investor confidence.

Despite these gains, structural challenges remain. Progress on gender diversity – both, at the board level and in the workforce – has remained largely stagnant. Conflicts of interest remain an area that requires attention, especially where governance mechanisms lack sufficient independence in form or spirit.

Overall, the 2025 Scorecard underscores a clear message: governance in India is no longer defined by compliance alone, but by the quality of decision-making, the effectiveness of oversight, and the ability of companies to balance the interests of shareholders with those of a broader set of stakeholders. As expectations continue to rise – both domestically and globally – companies that invest early in stronger boards, credible disclosures, and resilient practices will be better positioned to sustain long-term value in a governance environment where the bar has clearly been raised.

ANNEXURE A: EVALUATION FRAMEWORK

The evaluation framework is built around the G20/OECD Principles of Corporate Governance (G20/OECD Principles)¹¹, which are the globally accepted benchmark for corporate governance. While applying the G20/OECD Principles, consideration was given to issues relevant in the Indian context and the regulatory framework prescribed by Indian regulators and oversight bodies.

G20/OECD Principles of Corporate Governance



The principles capture the essential elements of corporate governance:

- **Principle I:** Ensuring the basis for an effective corporate governance framework:
The corporate governance framework should promote transparent and fair markets, and the efficient allocation of resources. It should be consistent with the rule of law and support effective supervision and enforcement.
- **Principle II:** The rights and equitable treatment of shareholders and key ownership functions:
The corporate governance framework should protect and facilitate the exercise of shareholders' rights and ensure the equitable treatment of all shareholders, including minority and foreign shareholders. All shareholders should have the opportunity to obtain effective redress for violation of their rights at a reasonable cost and without excessive delay.
- **Principle III:** Institutional investors, stock markets and other intermediaries:
The corporate governance framework should provide sound incentives throughout the investment chain and provide for stock markets to function in a way that contributes to good corporate governance.
- **Principle IV:** Disclosure and transparency:
The corporate governance framework must ensure that timely and accurate disclosure is made on all material matters regarding the corporation, including the financial situation, performance, sustainability, ownership, and governance of the company
- **Principle V:** The responsibilities of the board:

¹¹ https://www.oecd.org/en/publications/2023/09/g20-oecd-principles-of-corporate-governance-2023_60836fcb.html

The corporate governance framework should ensure the strategic guidance of the company, the effective monitoring of management by the board, and the board’s accountability to the company and the shareholders

- **Principle VI: Sustainability and Resilience**

The corporate governance framework should provide incentives for companies and their investors to make decisions and manage their risks, in a way that contributes to the sustainability and resilience of the corporation.

The G20/OECD Principles of Corporate Governance:



are one of Financial Stability Board’s (FSB) Key Standards for Sound Financial Systems



form the basis for World Bank Reports on the Observance of Standards and Codes (ROSC) in the area of corporate governance



used as a benchmark in developing sectoral corporate governance guidance by the Basel Committee on Banking Supervision

The scorecard requires the evaluation to be conducted only on publicly available data. Sources of information will primarily include official company documents on the company website and stock exchange filings. For a few specific questions, the verification sources may even include regulatory orders and media reports.

The questions in the Scorecard have been grouped into four categories – each category corresponding to one of the principles recognised in the G20/OECD Principles as a measure of good corporate governance:

Rights and equitable treatment of shareholders	Sustainability and Resilience	Disclosures and transparency	Responsibilities of the board
<ul style="list-style-type: none"> • Quality of shareholder meetings • Related party transactions • Investor grievance policies • Conflicts of interest 	<ul style="list-style-type: none"> • Business responsibility initiatives • Supplier management • Employee welfare • Investor engagement • Whistle-blower policy • Sustainability 	<ul style="list-style-type: none"> • Ownership structure • Financials • Company filings • Risk Management • Audit integrity • Dividend payouts and policies 	<ul style="list-style-type: none"> • Board and committee composition • Training for directors • Board evaluation • Director remuneration • Succession planning

The Scorecard has been developed considering four of the six G20/OECD Principles (Principle II, IV, V, and VI), which focus directly on the company’s governance practices. G20/OECD Principles I and III have been kept outside the purview of the model as they deal with the overall regulatory environment and the role of market participants in corporate governance – factors which are not in the control of the company.

The underlying principles behind the Scorecard are listed as follows:

- The Scorecard must be able to provide a true and fair assessment of governance practices.
- The Scorecard should reflect globally recognized good governance practices.
- The Scorecard should factor in the Indian construct. However, to the extent possible, it should be universally applicable even for companies outside the Indian markets.
- The Scorecard should be constructive and encourage companies to adopt better practices beyond minimum compliance.

- The Scorecard should be reliable and have appropriate checks and balances to ensure credibility of the assessments.

CAVEAT

As all evaluation frameworks do, the methodology of the Indian Corporate Governance Scorecard also has its own limitation. A high score on the scorecard is not an indicator of current or future financial performance, or stock price performance. The scores also do not indicate the permanency of governance practices: a company's governance practices may improve or deteriorate from the date of the scoring. The scorecard is based on publicly available information, which has its limitations and cannot predict corporate behaviour – especially during contentious or divisive situations.

To ensure that the Scorecard is easily comprehensible and applied consistently, detailed scoring keys and guidance notes have been developed for each question.

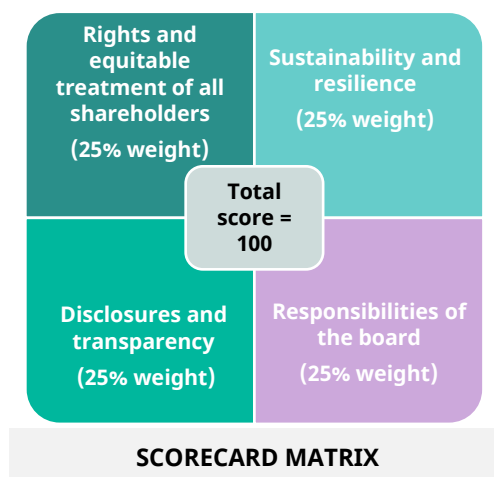
FAQs

Questions	Responses
What type of companies can be evaluated by the scorecard?	The metrics used in the scorecard can be universally applied to all companies. However, given that the scorecard relies only on publicly available data, external assessments will be relevant mostly for listed companies.
Is the scorecard applicable to small/recently listed companies?	The scorecard takes the view that listing on the stock exchanges casts a public obligation to adopt good corporate governance practices. Thus, the fact that companies may be only recently listed or may be small in size are not legitimate reasons to lower the measurement thresholds of the governance scorecard.
Who fills in the scorecard?	The scorecard can be used by all market participants to evaluate companies. While filling up the questionnaire, the assessor needs to refer to the guidance notes included as part of the scoring model. However, this score can only be used by participants for internal evaluation – it cannot be used publicly unless validated.
When can the company use the score publicly?	The company can only use the score publicly if it has been validated by a task-force comprising corporate governance experts appointed by an authorized body.

ANNEXURE B: METHODOLOGY

The scorecard comprises a total of 74 questions. These questions are divided into four categories corresponding to the respective G20/OECD principles. Each category has a different number of questions that address the relevant issues related to the specific G20/OECD principle. The weightages assigned to each category are based on the number of questions in the category and the relative importance of the questions in that category in the Indian corporate governance framework.

It was determined that the quality of corporate governance practices referred to in each question should be recognized on three levels:



- **2 points:** If the company follows global best practices for that element of corporate governance
- **1 point:** If the company follows reasonable practices or meets the Indian standard for that element of corporate governance
- **0 point:** If the company needs to improve in that element of corporate governance

Some questions do require a more limited 'yes/' 'no' response. In such cases, 2 points are awarded for a positive response and zero points for a negative response. If information is not observable through publicly available relevant information, the question will not be awarded any points.

Some questions may also provide for a "not applicable" option. If the assessors select this option, the question will be excluded while applying the scoring formula.

Each question has a detailed response key which underlines the best practice. The assessors need to strictly adhere to what is mentioned in the response key for scoring on each question.

CATEGORY WEIGHTS

Category	Number of questions	Maximum attainable score	Category weight (%)
Rights and equitable treatment of shareholders	15	30	25
Disclosures and transparency	21	42	25
Responsibilities of the board	19	38	25
Sustainability and resilience	19	38	25
TOTAL	74		100

To arrive at a final score for a company, the assessors need to:

- Add the scores for all responses under a category and divide it by the maximum attainable score for the category. This may need to account for questions which are not applicable for the company.
- Multiply the ratio so obtained by the total category weight to give a weighted score for that category.
- Sum all weighted scores across all four categories. The final score will be rounded off to the nearest integer.

$$\text{Category Score} = \frac{\text{Aggregate score of all questions under category}}{\text{(Number of applicable questions in category x 2)}} \times \text{Category Weight}$$

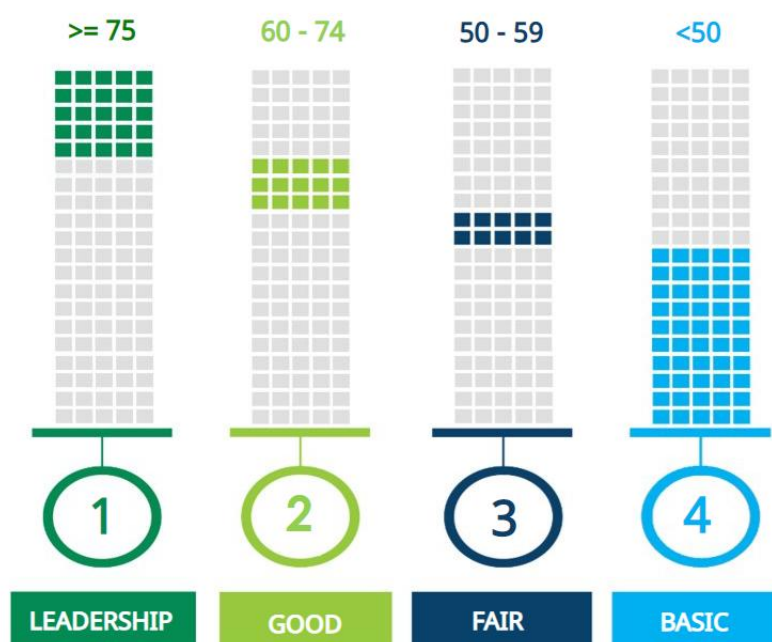
$$\text{Total Score} = \text{Category Score}_1 + \text{Category Score}_2 + \text{Category Score}_3 + \text{Category Score}_4$$

SCORING EXAMPLE

Category	Total score (A)	Maximum attainable score (B)	Category weight (%) (C)	Weighted score (A/B) *C
Rights and equitable treatment of shareholders	17	30	25	19
Disclosures and transparency	35	42	25	22
Responsibilities of the board	25	38	25	16
Sustainability and resilience	29	38	25	19
FINAL SCORE				77*

*Rounding-off to be performed only at the final score level

Based on the final score, companies will be grouped into the following buckets:



ANNEXURE C: LIST OF COMPANIES

The list of BSE100 (on 13 October 2025) companies covered under the study is given below:

Sr. No.	Scrip Code	Symbol	Company Name
1	512599	ADANIENT	Adani Enterprises Limited
2	541450	ADANIGREEN	Adani Green Energy Limited
3	532921	ADANIPORTS	Adani Ports and Special Economic Zone Limited
4	533096	ADANIPOWER	Adani Power Limited
5	500425	AMBUJACEM	Ambuja Cements Limited
6	508869	APOLLOHOSP	Apollo Hospitals Enterprise Limited
7	500820	ASIANPAINT	Asian Paints Limited
8	540611	AUBANK	AU Small Finance Bank Limited
9	540376	DMART	Avenue Supermarts Limited
10	532215	AXISBANK	Axis Bank Limited
11	532977	BAJAJ-AUTO	Bajaj Auto Limited
12	500034	BAJFINANCE	Bajaj Finance Limited
13	532978	BAJAJFINSV	Bajaj Finserv Limited
14	500490	BAJAJHLDNG	Bajaj Holdings & Investment Limited
15	532134	BANKBARODA	Bank Of Baroda
16	500049	BEL	Bharat Electronics Limited
17	500547	BPCL	Bharat Petroleum Corporation Limited
18	532454	BHARTIARTL	Bharti Airtel Limited
19	500825	BRITANNIA	Britannia Industries Limited
20	532483	CANBK	Canara Bank
21	511243	CHOLAFIN	Cholamandalam Investment and Finance Company Limited
22	500087	CIPLA	Cipla Limited
23	533278	COALINDIA	Coal India Limited
24	532541	COFORGE	Coforge Limited
25	500830	COLPAL	Colgate-Palmolive (India) Limited
26	500480	CUMMINSIND	Cummins India Limited
27	532488	DIVISLAB	Divis Laboratories Limited
28	540699	DIXON	Dixon Technologies (India) Limited
29	532868	DLF	DLF Limited
30	500124	DRREDDY	Dr. Reddy's Laboratories Limited
31	505200	EICHERMOT	Eicher Motors Limited
32	543320	ZOMATO	Eternal Limited
33	500469	FEDERALBNK	Federal Bank Limited
34	532155	GAIL	GAIL (India) Limited
35	532424	GODREJCP	Godrej Consumer Products Limited
36	500300	GRASIM	Grasim Industries Limited
37	517354	HAVELLS	Havells India Limited
38	532281	HCLTECH	HCL Technologies Limited
39	541729	HDFCAMC	HDFC Asset Management Company
40	500180	HDFCBANK	HDFC Bank Limited
41	540777	HDFCLIFE	HDFC Life Insurance Company Limited
42	500182	HEROMOTOCO	Hero Motocorp Limited
43	500440	HINDALCO	Hindalco Industries Limited
44	541154	HAL	Hindustan Aeronautics Limited
45	500696	HINDUNILVR	Hindustan Unilever Limited
46	532174	ICICIBANK	ICICI Bank Limited
47	540716	ICICIGI	ICICI Lombard General Insurance Company Limited

Sr. No.	Scrip Code	Symbol	Company Name
48	500850	INDHOTEL	Indian Hotels Co. Limited
49	530965	IOC	Indian Oil Corporation Limited
50	534816	INDUSTOWER	Indus Towers Limited
51	532187	INDUSINDBK	IndusInd Bank Limited
52	532777	NAUKRI	Info Edge (India) Limited
53	500209	INFY	Infosys Limited
54	539448	INDIGO	InterGlobe Aviation Limited
55	500875	ITC	ITC Limited
56	543940	JIOFIN	Jio Financial Services Limited
57	500228	JSWSTEEL	JSW Steel Limited
58	500247	KOTAKBANK	Kotak Mahindra Bank Limited
59	500510	LT	Larsen & Toubro Limited
60	540005	LTIM	LTIMindtree Limited
61	500257	LUPIN	Lupin Limited
62	500520	M&M	Mahindra & Mahindra Limited
63	531642	MARICO	Marico Limited
64	532500	MARUTI	Maruti Suzuki India Limited
65	543220	MAXHEALTH	Max Healthcare Institute Limited
66	500790	NESTLEIND	Nestle India Limited
67	532555	NTPC	NTPC Limited
68	500312	ONGC	Oil and Natural Gas Corporation Limited
69	543390	POLICYBZR	PB Fintech Limited
70	533179	PERSISTENT	Persistent Systems Limited
71	500331	PIDILITIND	Pidilite Industries Limited
72	532810	PFC	Power Finance Corporation Limited
73	532898	POWERGRID	Power Grid Corporation of India Limited
74	532461	PNB	Punjab National Bank
75	532955	RECLTD	REC Limited
76	500325	RELIANCE	Reliance Industries Limited
77	517334	MOTHERSON	Samvardhana Motherson International Limited
78	540719	SBILIFE	SBI Life Insurance Company Limited
79	500387	SHREECEM	Shree Cement Limited
80	511218	SHRIRAMFIN	Shriram Finance Limited
81	503806	SRF	SRF Limited
82	500112	SBIN	State Bank of India
83	524715	SUNPHARMA	Sun Pharmaceutica Industries Limited
84	532667	SUZLON	Suzlon Energy Limited
85	532540	TCS	Tata Consultancy Services Limited
86	500800	TATACONSUM	Tata Consumer Products Limited
87	500570	TATAMOTORS	Tata Motors Limited
88	500400	TATAPOWER	Tata Power Company Limited
89	500470	TATASTEEL	Tata Steel Limited
90	532755	TECHM	Tech Mahindra Limited
91	500114	TITAN	Titan Company Limited
92	500251	TRENT	Trent Limited
93	540762	TIINDIA	Tube Investments of India Limited
94	532343	TVSMOTOR	TVS Motor Company Limited
95	532538	ULTRACEMCO	Ultratech Cement Limited
96	532432	UNITDSPR	United Spirits Limited
97	540180	VBL	Varun Beverages Limited
98	500295	VEDL	Vedanta Limited
99	507685	WIPRO	Wipro Limited

Sr. No.	Scrip Code	Symbol	Company Name
100	532648	YESBANK	Yes Bank Limited

Changes in the BSE100 composition in 2025 over the 2024 study

	Scrip Code	Symbol	Company Name
Additions	540699	DIXON	Dixon Technologies (India) Limited
	532541	COFORGE	Coforge Limited
	517334	MOTHERSON	Samvardhana Motherson International Limited
	534816	INDUSTOWER	Indus Towers Limited
	533096	ADANIPOWER	Adani Power Limited
	532667	SUZLON	Suzlon Energy Limited
	541450	ADANIGREEN	Adani Green Energy Limited
	543940	JIOFIN	Jio Financial Services Limited
	543390	POLICYBZR	PB Fintech Limited
Deletions	523642	PIIND	P.I. Industries Ltd.
	500096	DABUR	Dabur India Ltd.
	512070	UPL	UPL Ltd.
	539437	IDFCFIRSTB	IDFC First Bank Ltd.
	533758	APLAPOLLO	APL Apollo Tubes Ltd.
	500550	SIEMENS	Siemens Ltd.
	542830	IRCTC	Indian Railway Catering and Tourism Ltd.
	500493	BHARATFORG	Bharat Forge Ltd.
	500477	ASHOKLEY	Ashok Leyland Ltd.

ANNEXURE D: SCORECARD

QUESTIONNAIRE

The questions and response keys are numbered. The scoring matrices are colour coded given in the row below and should be interpreted as under:

Governance practice needs improvement Score 0	Governance practice is reasonable Score: 1	Governance practice is closer to global standards Score: 2
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	Parameters	Response key	
Category I: Rights and equitable treatment of shareholders [Questions: 15; Weightage: 25%]			
1.	Has the company taken steps to ensure that the basic rights of shareholders are clear and unequivocal?	<p>Assessors need to check for additional steps taken by the company to help shareholders exercise their franchise.</p> <p>Possible steps that may be taken by companies to go beyond the regulatory directives include:</p> <ul style="list-style-type: none"> • listing out all shareholder rights in company documents, OR • conducting shareholder education programs on their rights, OR • disclosing the process to be followed by shareholders while exercising their rights, OR <p>The list is only indicative of possible scenarios and is not meant to be exhaustive. Any good practice adopted by the company, beyond regulatory measures, to ensure easy facilitation of shareholder rights must be considered while scoring on this question.</p>	
	There is evidence of violation of existing law	No specific steps taken by the company beyond compliance with the law	Company has taken steps to educate shareholders on their basic rights or has implemented measures to facilitate the exercise of shareholder rights
2.	Can a minority shareholder, with less than 10% stake, propose an agenda item in a shareholder meeting?	<p>Companies Act 2013 requires the right to be provided to shareholders only if they collectively have more than 10% voting rights. The assessor needs to check if the company has specified a lower threshold in any of its publicly available documents.</p> <p>If no evidence is found in any of the publicly available documents, the threshold will be deemed to be fixed at 10% and no points will be awarded.</p> <p>Since, in the Indian context, all shareholders can propose a candidate on the board, resolutions pertaining to director appointments will not be considered for this question.</p>	
	No, shareholders, in aggregate, need to hold at		Yes, the company has taken steps to ensure that even shareholders who hold less

Parameters		Response key	
	least 10% stake to propose agenda items		than 10% stake (in aggregate) can propose any agenda item
3.	Was there any evidence of combining multiple matters or issues in a single resolution?	<p>While it is not possible to list out all possible scenarios where resolutions are clubbed together, the following list may be used as a guiding reference by the assessor:</p> <ul style="list-style-type: none"> • Appointment and remuneration resolutions being combined in a single resolution • Appointments of several directors/auditors being combined in one single resolution instead of separate ones for each director • Equity and debt raising resolutions being combined in a single resolution • Mortgage and borrowing resolutions being combined in a single resolution <p>The list is only indicative of possible scenarios and is not meant to be exhaustive. The assessors may need to use their own judgement to determine if the company has clubbed critical issues under one resolution.</p> <p>A look back period of one year will be considered for this question.</p>	
	Yes, there is evidence of multiple resolutions being clubbed together	Yes, only one resolution was clubbed	No, all matters were presented to shareholders through separate resolutions
4.	Did the company provide proxy and e-voting facility for all shareholder meetings in the past one year?	<p>The assessors need to check if the process for appointing proxies and authorized representatives is clearly stated in the shareholder meeting notice (not applicable for Postal Ballots). The proxy nomination form must be attached with the notice or uploaded separately on the website.</p> <p>Further, the company must provide shareholder the opportunity to vote electronically through the depository platforms. The e-voting instructions must be clearly articulated in the meeting notice.</p> <p>A look back period of one year will be considered for this question.</p>	
	Such facilities were not provided for all AGMs, EGMs and Postal Ballots	Such facilities were provided for all AGMs, EGMs and Postal Ballots, but not provided for Court Convened Meetings	Such facilities were provided for all shareholder meetings
5.	Did all board members and the auditors attend the previous AGM?	<p>The attendance details of directors must be recorded in the minutes or outcome of the AGM. If the minutes/outcome are not available (and there is no other documented evidence for director attendance), companies will not score any points on this question.</p> <p>A company will score maximum points on this question only if all the directors (board members as on the date of the AGM) and auditors attended the AGM.</p> <p>Note: The annual report of the company only states the director attendance at the previous AGM and not the latest AGM. For example, the FY25 annual report will list out attendance details</p>	

	Parameters	Response key	
		for the FY24 AGM. Hence the attendance data in the annual report will not be considered.	
	Either the Chairperson of the board, or the CEO, or the Chairperson of Audit Committee/Nomination and Remuneration Committee/Stakeholders Relationship Committee or the auditors did not attend the AGM	The Chairperson of the board, the CEO, auditors and the Chairperson of Audit Committee/Nomination and Remuneration Committee/Stakeholders Relationship Committee attended, but not all board members	The entire board and auditors attended
6.	Within how many months of the fiscal year end was the last AGM held?	<p>The timeline for the AGM may be computed as:</p> <p style="text-align: center;">$T = \text{Date of AGM} - \text{FYE}$</p> <p>FYE = 31 March, for companies with a March year-end FYE = 31 Dec, for companies with a Dec year-end FYE = 30 Sep, for companies with a Sep year-end FYE = 30 Jun, for companies with a Jun year-end</p> <p>IF, $T < 4$ months, score 2 IF, $4 \text{ months} < T < 6$ months, score 1 IF, $T > 6$ months, score 0</p> <p>The date of the AGM is to be checked from the shareholder meeting notice or from the AGM outcome documents.</p>	
	More than six months after the fiscal year end	Within four-six months of the fiscal year end	Within four months of the fiscal year end
7.	Do the charter documents of the company give additional rights to certain shareholders?	<p>Based on the details available, the assessors need to classify the additional rights, if any, into three buckets:</p> <ul style="list-style-type: none"> • Board nomination rights: Right to appoint nominees (up to two directors) on the board • Transaction related right: These include right of first refusal and tag-along rights • Control related rights: These include the right to veto board decisions, right to appoint Chairperson, right to appoint multiple (>2) board members, and the right to decide remuneration of key executives (in addition to what is approved by other shareholders) <p>The assessor also needs to check for clauses which allow the controlling shareholder to exercise disproportionate voting power (in any form).</p> <p>Notwithstanding, if rights are given to lenders/creditors pursuant to a debt restructuring scheme or is included as enabling provision in case of defaults, the assessors must take that into consideration before scoring.</p>	
	The latest charter documents are not available or they give control related rights to certain non-controlling shareholders or give disproportionate voting power	The latest charter documents are available and certain non-controlling shareholders only get board-nomination rights or transaction related rights	The latest charter documents do not have any clauses which give additional rights (in any form) to any non-controlling shareholder or give disproportionate voting power

Parameters		Response key	
	(in any form) to the controlling shareholders		(in any form) to the controlling shareholders
8.	Does the company have a policy requiring all related party transactions (RPTs) to be dealt only by independent non-conflicted board members?	<p>Details for this question are generally available in the company's code of conduct, related party transaction policy or in the charter documents. If there is no evidence available, the company will not score any points on this question.</p> <p>To score maximum points on this section, the company must clearly state that all interested directors will abstain from both discussing and voting on concerned issues.</p>	
	No, or the policy is not disclosed, or the decision on whether the director must abstain is left to the discretion of the Chairperson or the board.	-	Yes, there is a policy for abstention from the decision-making process (including discussions)
9.	Does the company have in place a system, including policies and procedures, to facilitate disclosures of conflicts of interest by stakeholders?	<p>The assessor must check for the possible areas of conflict:</p> <ul style="list-style-type: none"> • IiAS has voted against a director's appointment due to potential conflict of interest due to her/him being on the board of a company in a similar line of business. • Pecuniary relationship exists (ID / ID's firm receives remuneration from the company). • Board cross linkages • Executive directors in Nomination and Remuneration Committee • Controlling shareholders/executive directors in the Audit Committee • Association (directly/indirectly) with competitors • Association with key suppliers/vendors • RPTs with entities associated with directors and senior executives <p>The list is only indicative and the assessors may need to use their own judgement while scrutinizing structures which may result in a conflict of interest.</p>	
	No, or the policies are not disclosed, or a potential conflict of interest exists.	Yes, the policies clearly list out the process for stakeholders to disclose their conflicts of interest but does not cover suppliers and vendors	Yes, the policy clearly lists out the process for all stakeholders to disclose their conflicts of interest
10.	Has the company transacted in a manner prejudicial to the interests of minority shareholders in the past three years?	<p>Prejudicial transactions will include any transaction (including RPTs) which:</p> <ul style="list-style-type: none"> • Is not at arm's length pricing, or • Is not on commercial terms, or • Is material and the details of the transaction are not fully disclosed (nature, frequency, materiality, quantum and pricing terms) to stakeholders, or • Is not managed as per the RPT policy <p>Evidence of such transactions may be obtained through media reports, shareholder meeting notices, annual report, investor transcripts, and minutes of meetings.</p> <p>The assessors will also need to take into consideration while scoring if any of the RPT resolutions in the past three years were</p>	

Parameters		Response key	
		defeated or were voted against by a majority of minority shareholders.	
	Yes, the company has entered into transactions or taken actions which could be prejudicial to the interests of minority shareholders	-	No, the company did not undertake any transactions or taken actions which could be prejudicial to the interests of minority shareholders
11.	Does the company pay out disproportionately high royalty to its group entities?	<p>Royalty payouts include payments for transfer of technology, and usage of trademark/brand name.</p> <p>For this question, only royalty payouts to the promoter group will be considered (payments made to government entities or royalty paid on account of franchisee agreements will be excluded).</p> <p>Royalty pay-outs will be considered disproportionate as per the profit threshold or royalty growth threshold:</p> <p>Profit threshold: Royalty must be less than 20% of net profits in each of the past three fiscal years</p> <p>Growth threshold: Growth in royalty must be less than growth in profits in the past three fiscal years. For example, if an assessment is being conducted anytime in FY26, the following formula is to be used:</p> $G_{Roy/Profits} = \frac{(FY25 \text{ value} - FY23 \text{ value})}{FY23 \text{ value}}$ <p>A company will score maximum points only if the profits threshold is met and $G_{Profits} > G_{Roy}$.</p>	
	Yes, the royalty payout is high compared to net profits and growth in profitability	Yes, the royalty payout is either high compared to net profits or growth in profitability	No, the royalty payouts were not disproportionate
12.	In the past, has the company (or its subsidiaries) provided financial assistance to promoter entities which had to be written off or unlikely to be recovered?	<p>The assessors need to check for loans given or investments made in promoter entities (specified in the related party transactions section of the annual report).</p> <p>The company will score maximum points in this question if no such financial assistance had to be written-off or provided for in the financial statements in any of the past three years.</p> <p>This question will not be applicable for companies which have not extended any financial assistance in the past three years and there have been no instances of write-offs during this period.</p>	
	Yes, some loans/investments have been written off or classified as doubtful	-	No loans/investments have been written off or classified as doubtful
13.	Has the company been transparent while undertaking any M&A, restructuring, or slump sale?	This question covers only those actions for which shareholder approval was required.	

Parameters		Response key	
		<p>The company needs to publicly disclose the valuation reports on the transaction before presenting it to shareholders for their vote. Apart from valuation, if the company has not provided critical strategic details on the restructuring, the assessors will need to take a closer look and use their subjective opinion to decide on the scoring based on the transparency levels.</p> <p>The assessor must check for any special rights embedded as part of the resolution seeking approval for the transaction. Recently there have been instances of M&A, restructuring, or slump sales, where companies have embedded special rights within the transactions. These rights could potentially harm the interests of minority shareholders.</p>	
	Certain special rights are embedded as part of the transaction	No special rights are embedded as part of the transaction, but the valuation report is not disclosed	No special rights are embedded as part of the transaction, and the valuation report is disclosed
14.	Has the company publicly disclosed the reasons for pledging of shares by the controlling shareholders?	<p>Indian companies generally disclose the quantum of shares pledged by the promoters. But for greater clarity, they also need to provide a rationale for pledging.</p> <p>A company will score maximum points on this question if the reasons for creation of fresh pledges in the past twelve months are publicly available.</p>	
	No, the reasons for pledging are not disclosed publicly, or the pledge (if called) will likely result in loss of control	-	Yes, the company has provided reasons for pledging of shares by the controlling shareholders and the pledge (if called) will not likely result in loss of control
15.	Is there evidence of structures or mechanisms that have the potential to violate minority shareholder rights?	<p>The assessors will need to check for:</p> <ul style="list-style-type: none"> • Pyramidal holding structures, which results in disproportionate voting power of the promoter • Opaque holding structures where the ultimate beneficial ownership cannot be fully ascertained • Cross holdings between the company and entities of its promoter group • Companies which have many inactive or non-functional subsidiaries/Joint Ventures/associate companies • Companies which have established many subsidiaries/Joint Ventures/associate companies with promoter entities with no clear rationale <p>The list is only indicative and the assessors may need to use their own judgement while scrutinizing structures which could violate minority shareholders' rights.</p>	
	Yes, there is evidence of a structure/mechanism that could violate minority shareholders' rights	-	No, there is no evidence of any structure/mechanism that could violate minority shareholders' rights

	Parameters	Response key	
Category II: Sustainability and resilience [Questions: 19; Weightage: 25%]			
16.	Is the company committed towards developing stakeholder relationships?	<p>The assessor must check for the latest composition of the SRC. The review will consider any new appointments and resignations from the SRC after the last annual report.</p> <p>If the SRC composition in the company website lists the name of any director who, as per stock exchange filings, has resigned from the board, the committee composition will adjust accordingly (by excluding such directors).</p> <p>The meeting frequency will be reviewed based on the number of SRC meetings in the previous fiscal year (as stated in the annual report).</p> <p>To score maximum points on this question, the company must provide at least two of the following references to their stakeholder engagement process in the company documents:</p> <ul style="list-style-type: none"> • Stakeholder rights • Stakeholder grievance redressal • Stakeholder communication 	
	The company does not hold investor calls on a quarterly basis or the transcript/recording is not publicly disclosed by the company	Yes, the company holds quarterly investor calls, and the transcript/recording of such calls is disclosed by the company	Yes, the company holds investor calls on a quarterly basis, the transcripts or recordings of such calls are disclosed on the company website; and the SRC engages with investors on a regular basis
17	Does the company have publicly disclosed policies and/or mechanisms to address the health, safety, and welfare of employees?	<p>To measure the robustness of the policies, the assessor needs to check if:</p> <ul style="list-style-type: none"> • There is a stated commitment by the company to adopt measures and processes that focus on the prevention of occupation-related injuries, accidents and illnesses • The company provides health and safety trainings to its employees • The safety and health policies cover the company's suppliers and vendors <p>In addition, to score maximum points, the company must report the number of employee accidents each year to stakeholders – and the three-year trend should have a declining trajectory.</p>	
	The policies are not publicly disclosed and the company has not provided information on the number of employee accidents or there have been labour fatalities on account of accidents in the workplace	The policies are publicly disclosed and the company has provided information on the number of employee accidents	The company has provided information on the number of employee accidents and has publicly disclosed its health and safety policies. There are no fatalities. There is a three year decline in number of accidents.
18	Does the company have publicly disclosed policies / mechanisms to prevent sexual harassment at workplace?	<p>To measure the robustness of the policies, the assessor needs to check if:</p> <ul style="list-style-type: none"> • There is a stated commitment by the company to adopt measures and processes that focus on the prevention of sexual harassment in the workplace. 	

	Parameters	Response key	
		<ul style="list-style-type: none"> The sexual harassment policy lists out details on the reporting, redressal, enquiry process and the names and IDs of POSH Committee members <p>In addition, to score maximum points, the company must report the number of sexual harassment cases each year to stakeholders</p>	
	The policy has not been publicly disclosed or the company has not provided information on the number of sexual harassment incidents	The policy is publicly disclosed and the company has provided information on the sexual harassment incidents	The company has provided information on the number of sexual harassment incidents and has publicly disclosed its prevention of sexual harassment policy. The policy discloses the names and email ids of the POSH committee members.
19	Does the company have in place a detailed supplier code of conduct and a vendor selection criteria?	<p>To score maximum points, a good supplier code of conduct must include:</p> <ul style="list-style-type: none"> Supplier Accountability Code of conduct and Ethics policies for suppliers Environmental Protection and Human Rights Policies for suppliers Health and Safety policies for suppliers <p>and a vendor selection criteria has been disclosed.</p> <p>The above list is only indicative and the assessors must use their own judgement to determine if the policy is effective and meaningful.</p>	
	Policies are not publicly available	A detailed supplier code of conduct is publicly available. However, detailed vendor selection criteria has not been disclosed.	A detailed supplier code of conduct and a detailed vendor selection criteria have been disclosed.
20	Has the company demonstrated commitment to protect the rights of its lenders, creditors, and suppliers?	<p>The company's commitment to protect the rights of lenders, creditors and suppliers is being measured by the timeliness of repayment of financial obligations.</p> <p>The look-back period for this question is three years (FY21, FY20 and FY19).</p> <p>The assessor must check the independent auditors' report and the notes to the annual financial statements to establish whether the company has made any delayed repayments to its lenders, creditors or suppliers over the past three years. The latest credit rating report, if available, may also be referred to while scoring on this question.</p> <p>For this question, repayments are being used as a proxy for stakeholder commitment. The assessors must take into account any liquidity constraints (which results in conversion of debt to equity) and other obvious violations (for example, media reports of running sweat shops) before scoring.</p>	
	The company has made delayed repayments to lenders	The company has made timely repayments to lenders, but has made delayed repayments	Payments are made on time and there is no evidence of late payments to lenders, suppliers or to other creditors

Parameters		Response key	
		to suppliers or to other creditors	
21	Does the company demonstrate a commitment to strong ethical practices and is clearly anti-corruption and anti-bribery?	<p>The assessor will need to establish if the company has disclosed an ethics policy/code of conduct. Ideally, the policy must cover most of the following:</p> <ul style="list-style-type: none"> • Core values of the company • Ethical standards expected from employees and directors • Dealing with conflicts of interest • Dealing with third parties • Compliance with laws and regulations • Protection of assets and information management • Disciplinary action in case of failure to adhere to the ethics code <p>In addition, the policy must clearly state that the company is against bribery and corruption in any form. The assessor may also consider if the company is a signatory to a well-known global anti-corruption framework or code of ethical conduct while scoring on this question.</p> <p>In case there is any known violation of the policy or instances where the company has been accused of bribery or corruption, or ethical violations, the company will not score any points.</p>	
	No ethics policy evident or publicly available	Ethics policy is publicly available but it does not mention anti-corruption or anti-bribery measures. As per the BRSR, there have been instances of disciplinary action taken against directors / KMPs / employees for bribery/corruption.	Ethics policy is publicly available on website and the policy mentions the company is against any form of corruption or bribery
22	Does the company demonstrate its commitment to being a good corporate citizen?	<p>The assessor must evaluate if the CSR related spending disclosed by the company in its annual report is above 2% of average net profit over the last three years.</p> <p>If the company has experienced losses on average over the past three years and still spend on CSR, the assessor may assign maximum points for this question.</p>	
	The company has not spent any amount on CSR in the past one year	The company has spent on CSR, but the CSR spend is less than 2% of average profits for the last three years	The company's CSR spend is at least 2% of average profits for the last three years
23	Does the company have processes in place to implement and measure the efficacy of its CSR programs?	<p>A company will obtain maximum points on this question if it has:</p> <ul style="list-style-type: none"> • Formed a CSR committee with minimum three directors, of which one must be independent • Disclosed areas of CSR spending • Conducted an impact assessment of its CSR programs and disclosed the results to stakeholders • Where the assessor can reasonably establish that the impact assessment pertains to majority of the CSR spends. <p>Impact assessment studies must include details on:</p> <ul style="list-style-type: none"> • Coverage of the CSR programs • Beneficiary profile 	

Parameters		Response key	
		<ul style="list-style-type: none"> Economic benefits for the company and for the beneficiaries (if applicable) <p>The above list is not exhaustive and assessors must use their judgement in determining whether the impact assessment studies convey meaningful information to external stakeholders.</p>	
	The company does not have a CSR committee or the areas of CSR spending have not been disclosed	The company has a CSR committee and the areas of CSR spending have been disclosed, but the company has not disclosed details on CSR impact assessment	The company has a CSR committee, the areas of CSR spending have been disclosed, and the company has disclosed details on CSR impact assessment
24	Does the company have policies and processes in place to handle investor grievances?	<p>The assessors first need to check for an investor grievance policy. For some companies, this policy is a separate document and for others, it is part of the code of conduct or business responsibility report.</p> <p>While reviewing the policy, the assessors need to check if the company has:</p> <ul style="list-style-type: none"> Named the individual/team to whom the complaint needs to be addressed Established an ombudsperson to deal with the complaints Listed out a process to be followed by the company for handling investor complaints Provided a grievance escalation mechanism <p>The assessor must also consider the percentage of unresolved investor complaints at the end of each quarter before scoring on this question.</p>	
	The company does not have a policy or the policy is not disclosed publicly	There is a policy for handling investor grievances, but it does not provide any grievance escalation mechanism	There is a policy for handling investor grievances, which provides details on the grievance escalation mechanism
25	Does the company have an effective whistle-blower mechanism for stakeholders to report complaints and suspected or illegal activities?	<p>For a whistle-blower policy to be considered effective, the assessor must check if the policy provides details on:</p> <ul style="list-style-type: none"> Range and nature of issues covered under the policy Procedure to report any incident, including all available reporting channels Steps to be taken for resolving reported issues Expected investigation timeline Measures adopted to protect the anonymity of whistle-blowers <p>For the whistle-blower mechanism to be considered effective, it must cover all stakeholders (including customers, vendors and suppliers). A company will score maximum points on this question only if most of the above details are available.</p>	
	There is no disclosed mechanism or policy or the policy does not allow anonymous complaints.	There is an effective whistle-blower policy for employees, but it does not cover external stakeholders	There is an effective whistle-blower policy which covers all stakeholders, including employees, customers, vendors and suppliers and also permits anonymous complaints.

	Parameters	Response key	
26	Does the company provide comprehensive disclosures on its foreseeable climate risks?	The assessor must check relevant company documents to identify if the company has developed and disclosed an effective risk management framework which covers climate risk. To be considered detailed and score maximum points, the risk management framework must disclose both the foreseeable climate risks that the company is likely to experience in the course of its business as well as mitigating factors that have been implemented to manage the risks.	
	The risk management framework does not address climate risks or it is not disclosed	There is a disclosed risk management framework which outlines the climate risks but no mitigation measures are provided or they are generic	Both climate risk and mitigation measures have been clearly outlined
27	Has the board / company disclosed a net zero target?	To score maximum points, the assessor must check if the company has met its interim targets. Where the company has not met its interim targets, but has explained the reasons for the same, assessor to score maximum points.	
	No, the company does not have / has not disclosed a net zero target	Yes, the company has disclosed a net zero target but interim targets have not been disclosed.	Yes, the net zero target along with an action plan / interim targets have been disclosed.
28	Has the BRSR data been independently validated / assessed?	To score maximum points, an independent third party has to validate / assess the BRSR core data and at least some of the non-financial data apart from BRSR core indicators have been assessed.	
	The BRSR data (core parameters) has not been independently validated / assessed.	The independent assurer has provided reasonable assurance for the Core parameters.	The independent assurer has provided reasonable assurance for the Core parameters and select / all other parameters in the BRSR.
29	Has the company taken steps to align its initiatives to UNSDGs?	To score maximum points, there should be evidence of company operations being aligned to UNSDGs.	
	No		Yes
30	Has the company adopted global reporting and disclosure standards like GRI/SASB/CDP/TCFD?	To score maximum points, the company should have adopted global reporting and disclosure standards like GRI / SASB / CDP / TCFD.	
	No		Yes
31	Does the company offer healthcare and accident insurance to 100% of its permanent employees and workers?	The assessor needs to check whether all permanent employees are covered under health and safety insurance policies offered	
	No		Yes
32	Has the company disclosed the name and designation of the individual responsible for implementation of the sustainability strategy?	To score maximum points, the name of such person is disclosed and the person responsible is a board member or a committee of the board.	
	Name is not disclosed or the designated Committee does not include board members	Name is disclosed, however the person responsible is not a board member	Name is disclosed and the person responsible is a board

Parameters		Response key	
			member or a committee of the board
33	Is there a decline in the company's Scope 1+2 emissions intensity(Scope 1+2 in MTCO ₂ e/INR of turnover)	To score maximum points, there must be a Y-o-Y decline in the company's Scope 1+2 emissions intensity (Scope 1+2 in MTCO ₂ e/INR of turnover).	
	No		Yes
34	Is there a declining trend in the company's water consumption intensity in KI/INR of turnover?	To score maximum points, there must be a Y-o-Y decline in the company's water consumption intensity in KI/INR of turnover.	
	No		Yes
Category III: Transparency and Disclosure [Questions: 21; Weightage: 25%]			
35	Does the company have a policy for determining and disclosing material information?	<p>The assessors need to check if the company has clearly articulated a policy defining parameters which determine a material event or information.</p> <p>To score maximum points on this question, the following items need to be disclosed in the materiality policy:</p> <ul style="list-style-type: none"> • criteria for determination of materiality of events/ information • events that shall be deemed to be material automatically • timeline to disclose material information <p>In addition, there must be no evidence of the company having made no/delayed disclosures on material events in the past three years.</p>	
	There is no policy or the policy is not publicly disclosed	There is a policy for determining and disclosing material information, but there have been cases in the past three years where the disclosures have not been timely	There is a policy for determining and disclosing material information and the company has made timely disclosures in the past three years
36	Have there been any concerns on the financial statements in the past three years?	<p>To score maximum points on this question, the independent auditors' report must have an unqualified opinion on the financial statements and there should be no emphasis of matter.</p> <p>Management response to the qualifications and matter of emphasis, if any, must be considered before scoring on this section. The assessors may take a subjective call, depending on the severity of the issue and the adequacy of the clarifications provided by the company.</p> <p>This is applicable to both standalone and consolidated financial statements.</p>	
	Auditor has issued a qualified opinion or the financial statements have been restated or the auditor has resigned due to differences in accounting opinion	Auditor has raised an emphasis of matter	Auditor has issued an unqualified opinion without any matter of emphasis

	Parameters	Response key	
37	Is the company transparent in disclosing segmental information?	<p>The assessor must check the company's annual reports and quarterly financial filings for information on the company's segments. The assessors may need to use their judgement to decide if all relevant segments have been covered.</p> <p>Financial information on segments include segment revenues and profits.</p> <p>Other segmental Information will be considered comprehensive if at least two of the below points are covered in the company's segmental reporting:</p> <ul style="list-style-type: none"> • Demand drivers for each segment • Risks factors for each segment • Business strategies for each segment • Key initiatives taken by the company • Capacity utilization for each segment <p>The company may operate in a single business segment, but multiple geographical segments, in which case, the above information must be covered for the geographical segments.</p> <p>If the company does not have any reportable segments, and sufficient detail is available for that single segment, a maximum score may be given.</p>	
	The company has not disclosed financial information on some business segments or there is a logical segmentation opportunity but the company has not disclosed the segments.	The company has disclosed financial information on all business segments, but other segment related information is not comprehensive	The company has disclosed comprehensive information on all business segments and segment wise risks have been disclosed
38	Is the company transparent in disclosing non-financial information?	<p>The assessor must check the company's annual reports and for information on non-financial disclosures.</p> <p>Information will be considered meaningful if the below points are covered as part of the company's non-financial disclosures:</p> <ul style="list-style-type: none"> • Industry growth and performance • Environmental issues • Business model: key strengths and weaknesses • Business strategy • Capacity and capacity utilization <p>To score maximum points on this question, all the above non-financial parameters must be disclosed in sufficient detail by the company.</p>	
	The company has not disclosed meaningful information on non-financial parameters	The company has not published an integrated report/sustainability report but information on some non-financial parameters has been disclosed	The company has published an integrated report/ sustainability report or reports under the ISSB framework
39	Does the company provide comprehensive disclosures on its foreseeable risks?	<p>The assessor must check relevant company documents to identify if the company has developed and disclosed an effective risk management framework.</p>	

	Parameters	Response key	
		<p>To be considered detailed and score maximum points, the risk management framework must disclose both the foreseeable risks that the company is likely to experience in the course of its business as well as mitigating factors that have been implemented to manage the risks.</p> <p>Risk Management policy should include significant external company relevant risks, such as health crises, supply chain disruptions and geopolitical tensions, digital security risk.</p>	
	The company does not have a risk management framework or it is not disclosed	There is a disclosed risk management framework which outlines the risks but no mitigation measures are provided or they are generic	Both risks and mitigation measures have been clearly outlined
40	Has the company developed and disclosed a comprehensive related party transaction (RPT) policy and are the disclosures on RPTs sufficient?	<p>A related party transaction policy is required to be disclosed under the Companies Act, 2013 and SEBI LODR regulations.</p> <p>To score maximum points on this question, the related party transaction policy must be publicly disclosed by the company. Further, the policy must be comprehensive, mandatorily including the following points:</p> <ul style="list-style-type: none"> • Definition on ordinary course of business • Definition on materiality of transactions • Requirement of the external auditors to review material RPTs <p>Also, the past related party transactions have been disclosed clearly in the annual report and have not been clubbed together.</p>	
	The company does not have an RPT policy or has not disclosed it	The company has an RPT policy as required under regulations but it is not comprehensive and/or the disclosures are not robust	The company has a comprehensive RPT policy and the disclosures are robust
41	Did the company provide timely, accessible and comprehensive information for all shareholder meetings in the past one year?	<p>The assessor must check details for all shareholder meetings held over the last one year.</p> <p>To score maximum points on this question, the information for shareholder meeting must be:</p> <ul style="list-style-type: none"> • Timely: the notice is made public at least 21 days prior to the meeting date (30 days for postal ballot) • Accessible: the company has put up the notice (and other relevant documents) on the stock exchanges (with a time stamp) and on the company website • Comprehensive: Sufficient information was available for shareholders to make an informed decision <p>The assessor must judge comprehensiveness on a case by case basis by checking if the resolutions presented over the past one year were transparent and had adequate details for shareholders to exercise their judgement.</p>	
	Information was neither timely nor accessible for some meetings	Information was timely and accessible for all meetings but not sufficiently comprehensive	Information was timely, comprehensive and accessible for all meetings
42	Are the detailed minutes or transcripts of the previous AGM publicly available?	<p>Minutes will be considered reasonably detailed if they include the following:</p> <ul style="list-style-type: none"> • Attendance record of each director and the external auditors 	

	Parameters	Response key	
		<ul style="list-style-type: none"> • Issues discussed by shareholders <p>The company will only score maximum points in this section if it has provided the entire meeting transcript or if the link to the meeting webcast is available on the company website.</p>	
	The company has not disclosed meeting minutes within 7 days of the meeting or they are not detailed	The company has disclosed the meeting minutes and they are reasonably detailed	The entire transcript or webcast of the meeting is publicly available
43	Did the company disclose voting results for each shareholder category for all resolutions proposed in the past one year?	<p>To score maximum points, the company must disclose the voting details of each shareholder category, as well as the reasons for rejection of invalid votes.</p> <p>Shareholder voting categories include 'promoters', 'institutional shareholders', and 'other shareholders'.</p> <p>The criteria on invalid votes will not be applicable for companies where the scrutinizer's report specifically mentions that there were no invalid votes for the resolutions.</p>	
	Voting details of each shareholder category were not disclosed (within 48 hours) for some or all resolutions	Voting details of each shareholder category were disclosed for all resolutions, but the reasons for rejection of invalid votes were not disclosed	Voting details of each shareholder category were disclosed, along with the reasons for rejection of invalid votes
44	Is the company transparent in disclosing its shareholding pattern?	<p>The assessors need to go check if the quarterly filings contain information on:</p> <ul style="list-style-type: none"> • Promoter shareholding • Institutional shareholding (FII and DII) • Other public shareholding • Names of entities which hold more than 1% stake <p>A one year (four quarters) lookback is to be considered for this question.</p> <p>A company will score maximum points on this question if it has disclosed the quarterly shareholding pattern and names of its top ten public shareholders in its latest annual report.</p>	
	The shareholding pattern is not disclosed on a quarterly basis or the latest annual report does not list out the top 10 public shareholders	Either the quarterly shareholding pattern filings have not been made or the latest annual report does not list out the top 10 public shareholders	The quarterly shareholding pattern filings have been made and the latest annual report lists out the top 10 public shareholders
45	Is the shareholding of individual board members and key managerial personnel (KMP) disclosed in the latest annual report?	<p>A company will score maximum points on this section if it has disclosed shareholding details for its board members and KMP (both the number of shares and the percentage of holding) in its latest annual report.</p>	
	The shareholding has not been disclosed for the board members, nor for KMPs	Shareholding for either board members or KMPs has been disclosed	Shareholding for board members as well as KMPs has been disclosed
46	Has the company articulated a dividend policy for its shareholders?	<p>The assessors need to scan the company website and annual reports to determine the existence of a dividend policy.</p>	

	Parameters	Response key	
		<p>To score maximum points on this question, companies need to specify a target payout/retention ratio (or any other meaningful metric). In addition, the policy must have been approved by shareholders.</p> <p>If there are any deviations from the policy, without any clear rationale, the assessors will need to scrutinize the matter closely before scoring.</p>	
	Dividend policy does not have a target payout ratio	The policy is publicly available and specifies a target payout ratio, but there have been deviations from the policy, without any clear rationale in the past three years	The policy is publicly available, specifies a target payout ratio; and there have not been any deviations from the policy in the past three years or the rationale for deviation has been clearly provided
47	Is the information on the company website comprehensive and accessible?	<p>To test for comprehensiveness of information, the assessors need to check if the company website contains all the disclosures as required under the prescribed regulations.</p> <p>The links provided must be working and all documents listed must be available. In addition, they must be accurate and up-to-date.</p>	
	The information is not accessible or is inaccurate	Information is accessible and accurate, but is not comprehensive	Information is accessible, accurate, and comprehensive
48	Does the company have a dedicated investor relations team/person whose contact details are publicly available?	<p>To score maximum points on this question, the company must provide both an email address and a phone number of the designated person/team on its website.</p> <p>Generic board-line numbers will not be considered.</p>	
	No details provided on any nominated team/person	The names of the individuals are disclosed, but no contact details are available	The names of the individuals are disclosed and their contact details available on the website
49	Does the company provide any information about the independence, competence and experience of the external auditor?	<p>The company must provide a statement on its auditor selection process. Details on the process must cover the evaluation criteria for determining auditor independence.</p> <p>In addition, the company must provide information about the competence and experience of the auditor. If this information is not provided by the company, the assessors need to check the auditors' website and determine if it provides meaningful information.</p> <p>To score maximum points on this question, the company must proactively disclose all the relevant details.</p>	
	The company has not disclosed any details on the auditors and such information is not publicly available	The company has not disclosed any details on the auditors, but such details are publicly available on the auditors' website	The company has disclosed the details on the competence and experience of the auditor and has also provided an evaluation criteria for determining auditor independence

	Parameters	Response key	
50	Has the company periodically rotated its auditors (firm and partner)?	<p>For this question, the assessor need to calculate the tenure of the audit network, which means that the aggregate tenure of audit firms within a network will considered as the total tenure of the auditor.</p> <p>For example, if audit firm A and audit firm B are both part of the same network and they have a tenure of 5 years and 7 years respectively, the total tenure will be computed as 12 years.</p> <p>When there are multiple auditors, the assessors need to consider the tenure of the auditor with the longest association.</p> <p>In companies, which are spin-offs from a larger company, the assessor needs to take a subjective call on whether the tenure will include when the company was being audited as a division of a larger company (prior to the spin-off into a separate company).</p>	
	Audit firm tenure > 10 years	Audit firm tenure < 10 years but audit partner > 5 years	Audit firm tenure < 10 years and audit partner < 5 years
51	Does the latest annual report contain a statement confirming the company's compliance with the regulatory requirements on corporate governance?	<p>To score maximum points on this question, the company must provide reasons for the non-compliance (if any) along with the steps it is taking to comply.</p> <p>The assessor must check if shareholders' approval for ID reappointment has been sought prior to the date of reappointment.</p> <p>The company will also score maximum points if it has stated that it has complied with all regulatory requirements.</p> <p>Despite the company's statement, if there is evidence to believe that the company may not have complied with all the laws/regulations, the assessors will need to take that into consideration before scoring.</p>	
	There is no statement regarding compliance with regulatory requirements on corporate governance	There is a statement, but no reasons (or generic reasons) have been provided for non-compliance (if any), neither have the steps taken for compliance in the future been outlined	There is a statement and the detailed reasons have been provided for non-compliance (if any), along with the steps taken for compliance in future periods
52	Has the company disclosed the experience of each board member and senior executives?	<p>The experience details must cover the following:</p> <ul style="list-style-type: none"> • The areas in which the individual has relevant domain knowledge and expertise • The number of years of working experience <p>A company will score maximum points on this question if such details are shared both for its board members and its senior executives (which include those referred to in Q47).</p>	
	Neither for board members, nor for senior executives	Only for board members, but not for senior executives	For both board members and senior executives
53	Has the company, directors or its key managerial personnel (KMP) fined or penalized by regulatory bodies, stock	The company, directors or KMPs have been fined by regulators such as RBI, SEBI or any sectoral regulator.	

	Parameters	Response key	
	exchanges in the past 12 months?		
	There are instances where company, directors or its key managerial personnel (KMP) fined or penalized by regulatory bodies, stock exchanges in the past 12 months	-	There is no evidence of instances company, directors or its key managerial personnel (KMP) fined or penalized by regulatory bodies, stock exchanges in the past 12 months
54	Does the company fully disclose the process and criteria used for appointing new directors?	A company will score maximum points on this section if it has provided details on: <ul style="list-style-type: none"> • how candidates are identified (whether the name was proposed by the promoter, board or any other shareholder) • The criteria based on which the candidature of directors are evaluated 	
	Neither the process nor the criteria are disclosed	Either the process or criteria are disclosed	Both the process and criteria are disclosed
55	Does the company disclose details on its training, development and orientation programs for directors?	Disclosures are considered detailed if there is information on: <ul style="list-style-type: none"> • who is required to undergo the program • core modules covered under the program • who conducts the program 	
	No, there is no disclosure in the public domain	A detailed framework is not disclosed or there is no information on the training programs conducted in the previous year or a detailed framework is disclosed along with details on training program for the year for independent directors only	A detailed framework is disclosed, along with details on the training programs for the year for all non-executive directors
Category IV: Responsibilities of the board [Questions: 19; Weightage: 25%]			
56	Are all directors fully engaged in company matters and committed to corporate governance?	For each director, the average attendance needs to be computed based on the data available in the previous three annual reports. Attendance through video-conferencing/telecon is taken into consideration. Attendance of directors who have been on the board for less than three years will be excluded for this question. <p>For example, if the assessment is being conducted in FY26, the average attendance for each director will be computed as follows:</p> $A_{3YR} = \frac{\text{No. of meetings attended in FY23+FY24+FY25}}{\text{Total no. of meetings held in FY23+FY24+FY25}}$ <p>A company will score maximum points only if, for all directors, $A_{3YR} = 1$. In addition, assessors must also look for statements made by the company (and its directors) about its governance practices to ascertain their commitment to corporate governance.</p>	
	There are some directors with less than 75% average	All directors have at least 75% average attendance in board	All directors have 100% attendance in board meetings

Parameters		Response key	
	attendance in board meetings in the past three years	meetings in the past three years	in the past three years and there is evidence of commitment to corporate governance in company documents and director statements
57	Does the board meet sufficiently to exercise due diligence?	<p>The number of board meetings need to be verified from the latest annual report.</p> <p>The company will score maximum points if the board has met more than four times in the previous year.</p> <p>The assessor should penalize the company if the board took egregious decisions during the year.</p>	
	The board met less than four times in the past year	The board met four times in the past year	The board met more than four times in the past year
58	Is there separation of roles between the Chairperson and the CEO?	<p>The most recent board membership needs to be checked by the assessors while scoring on this section. The review will consider any new appointments and resignations in the Chairperson/CEO role after the last annual report.</p> <p>For this question, the assessor will test for independence of the Chairperson. Merely the company's classification of the Chairperson being an independent director is not sufficient. Vintage directors – those with a tenure of over 10 years – are not considered independent for the purpose of this evaluation.</p> <p>Therefore, a Chairperson with a tenure of more than 10 years on the board will not be considered independent and the scoring will be adjusted accordingly.</p>	
	The roles are not separated or the Chairperson is an executive director	The roles are separated, but the Chairperson is a non-executive non-independent director	The roles are separated and the Chairperson is independent
59	Does the board have sufficient skills, competence and expertise?	<p>The assessor must check for the latest composition of the board. The review will consider any new appointments and resignations from the board after the last annual report.</p> <p>To score maximum points on this question, the members of the board must have at least 10 years of working experience and collective knowledge on:</p> <ul style="list-style-type: none"> • Legal • Financial • Marketing • General Management • Supply chain/operational • Specific Industry Dynamics <p>A board with at least three sets of identifiable skills will be considered to have sufficient breadth of expertise.</p> <p>Exceptions for directors with less than 10 years of working experience: If a director is also part of the founding group of the company, the company will not be penalized as per option 1 of the scoring key.</p>	

	Parameters	Response key	
	There is a director with less than 10 years of aggregate working experience who is not a first-generation entrepreneur or there is no non tenured independent director with prior working experience in the major industry the company operates	At least one non tenured independent director has prior working experience in the major industry the company operates, but there is insufficient breadth of expertise	At least one non tenured independent director has prior working experience in the major industry in which the company operates and the board has sufficient breadth of skills
60	Does the board have gender diversity?	The assessor must check for the latest composition of the board. The review will consider any new appointments and resignations from the board after the last annual report. To score maximum points on this question, the company needs to appoint professional women directors on the board who have not had affiliations with the promoter family.	
	None of the women directors are independent	At least one woman director is independent, but women comprise less than 30% of the board	At least 30% of the board comprises women, of which at least one is an independent director
61	Is there adequate women representation in the workforce?		
	<10%; or there is no disclosure on this aspect	>10% and <30%	>30%
62	Does the company have adequate independent representation on the board?	Independent representation is considered adequate if the board independence norms (as per Companies Act 2013 and SEBI LODR) are satisfied. Companies with an executive/promoter Chairperson must have at least 50% directors as independent and other boards must have at least 33% directors as independent. Independent representation is better-than-adequate when: <ul style="list-style-type: none"> • Independence norms are satisfied • More than 50% of the board is independent (after classifying vintage directors, with a tenure of more than 10 years, as non-independent) • There is a policy/ process to annually affirm the continuing independence of independent board members The assessor must check for the latest board composition. The review will consider any new appointments and resignations from the board after the last annual report.	
	Independent representation is below regulatory requirements	There is adequate independent representation as per regulatory requirements	There is better-than-adequate independent representation and for directors with a tenure of more than 10 years, there is a process to affirm the continuing independence of the directors
63	Do the board committees have adequate independent representation?	The assessor must check if the board committees have taken egregious decisions/ For eg: The accounts are qualified / NRC has authorized excessive remuneration.	

	Parameters	Response key	
		<p>The size for board committees must be as per regulations and independence norms must be met (as per Companies Act 2013 and SEBI LODR).</p> <p>To score maximum points on this question, the assessor needs to check if the requirements for all four committees required under regulation – audit, NRC, stakeholder relationship and corporate social responsibility, are met. Further, the audit committee and the NRC must have a balanced and non-conflicted mix of directors. This would mean:</p> <ul style="list-style-type: none"> • The audit committee must have more than three directors • There is no executive director in the NRC • No independent director in the audit committee and NRC has a tenure of more than 10 years on the board. <p>Conflicted members include: Executive Directors, promoter and/or promoter representatives.</p>	
	Either size or independence norms for committees required under regulations are not met or Executive Directors are members of the Audit Committee / Nomination and Remuneration Committee.	Both the size and independence norms for committees required under regulations are met	Both the size and independence norms for all committees required under regulation are met and the audit committee and nomination and remuneration committee only comprise non-conflicted members
64	Is the audit committee effective in its composition and its meeting frequency?	<p>While reviewing the experience of audit committee members, the assessor needs to check if:</p> <ul style="list-style-type: none"> • Members have an educational background/relevant professional certification in finance or accounting; or • Members have worked as CEO, CFO or as any other senior officer with financial oversight responsibilities <p>While the number of audit committee meetings will be listed out in the last annual report, the current composition of the audit committee must be considered while scoring on this question.</p> <p>The audit committee charter may either be available as a separate document or it may be embedded in the annual report of the company. An effective audit charter must include:</p> <ul style="list-style-type: none"> • Roles and responsibilities of the audit committee • Powers of the audit committee • Composition of the audit committee 	
	The audit committee met less than four times in the past year or none of the directors meet eligibility criteria for audit committee members	The audit committee met at least four times in the past year and at least one director has sufficient accounting/ financial expertise but an audit charter is not available	The audit committee has a clear charter that is publicly available, has met more than four times in the past year and all directors have sufficient accounting/ financial expertise
65	Does the company have a strong and robust internal audit framework?	<p>To score maximum points on this question, the company needs to establish a robust internal audit function. This would mean that:</p> <ul style="list-style-type: none"> • The internal audit team must report to the audit committee directly • There must be an internal audit charter publicly available, which will include most of the following details: 	

	Parameters	Response key	
		<p>-Accountability and scope of work -Independent and objectivity of the team -Composition of the internal audit team -Training programs imparted of the internal audit team -Management support for internal audit function</p> <p>The internal audit charter may either be available as a separate document or it may be embedded in the annual report of the company.</p>	
	No disclosures on internal audit framework	No disclosures on internal audit framework but the internal audit function reports to the audit committee	The internal audit function reports to the audit committee directly and there are detailed disclosures on internal audit charter
66	Were all resolutions proposed by the board to shareholders in the past one year accepted?	<p>The assessor needs to check the stock exchange filings to find out how shareholders voted on all resolutions proposed by the board in the past one year.</p> <p>A company will score maximum points if:</p> <ul style="list-style-type: none"> • All resolutions proposed in the past one year were passed; and • In all such resolutions, more than 50% of minority shareholders voted FOR the resolution 	
	Some resolutions were defeated	No resolutions were defeated, but for some resolutions, majority of minority shareholders voted against	All resolutions in the last one year were accepted by majority of minority shareholders
67	Is there evidence to show that the company, directors or its key managerial personnel (KMP) have violated normally expected ethical/ behavioral norms?	<p>The assessors need to go through annual reports, court rulings, regulatory orders, investigation reports to find evidence of transgressions. A web search may also be used for this purpose.</p> <p>A three-year lookback period (from the date of assessment) is to be considered.</p> <p>Assessor must look for any ethical violations by the company/director/KMP in the past three years.</p> <p>The assessors may need to use their judgement for classifying the offences based on materiality, frequency, quantum, level of involvement and other similar metrics. The scores will accordingly be adjusted based on the scoring key.</p>	
	The company/directors/KMP have been penalized in the past three years	There are allegations of ethical violations / misconduct against the company or its directors or its KMPs in the past three years	No, there are no allegations of ethical violations / misconduct against the company or its directors or its KMPs in the past three years
68	Has the Nomination and Remuneration Committee defined performance metrics for executive remuneration?	<p>The assessors need to check the annual reports and the appointment terms of directors to determine the variable pay mix.</p> <p>Short term incentives will include commission, performance bonus, and other similar instruments. Long term incentives will include stock options, restricted stock units, stock appreciation rights, and other similar instruments.</p>	

	Parameters	Response key	
		<p>If the appointment terms include a variable pay component, but if variable pay was not paid to a director in the last three years, it will be assumed that there is no variable pay incentive for the director.</p> <p>The final scoring will depend on whether all executive directors have individual variable pay components. Promoter directors (who are not eligible for long-term incentives) will not be penalized for not having a long-term incentive component in their salary structure, because of legal restrictions in India.</p>	
	No, the performance metrics have not been defined	Yes, and the performance metrics have been defined but do not include any ESG related performance targets or the remuneration policy/terms do not include malus/clawback clauses	Yes, and the performance metrics have been defined and include ESG related performance targets and the remuneration terms include malus/clawback clauses
69	Has executive director(s) pay been aligned to company performance in the last three years?	<p>The assessors must calculate the growth in aggregate executive directors' pay, company's profits and revenues over a three-year period.</p> <p>The data will be available in the latest annual report of the company. For example, if an assessment is being conducted anytime in FY26, the following formula is to be used for each of the metrics:</p> $V_{Rev/Pr/Rem} = \frac{(FY25 \text{ value} - FY23 \text{ value}) * 100}{FY23 \text{ value}}$ <p>A company will score maximum points only if:</p> $V_{Rem} < V_{Rev} \text{ and } V_{Rem} < V_{Pr}$ <p>The aggregate remuneration will be considered only for directors who have been present on the board for each of the three years. If there are resignations and appointments during this period, such directors will be excluded from this analysis.</p>	
	Three-year growth in aggregate pay is higher than growth in profits and growth in revenues	Either of the above two conditions are triggered	Three-year growth in aggregate pay is in line/ lower than growth in profits and growth in revenues
70	If the company has a stock option scheme, does it align to investor interest?	<p>Discounted stock options may be given in various forms:</p> <ul style="list-style-type: none"> • Where the exercise price of the option is the face value of the share • Where the exercise price of the option is fixed at a specified discount to the market price of the share • Through restricted stock units and other similar instruments <p>A company will score maximum points if :a) all the options granted in the past one year had an exercise price which was equal to the market price on the date of grant. b) in cases where they were granted at a significant discount, the vesting depended on meeting pre-disclosed performance targets.</p>	

Parameters		Response key	
		<p>Detailed information on the specific targets and their achievement has been provided in the annual report.</p> <p>This question is not applicable for companies which did not grant any stock options in the past one year.</p>	
	Exercise price was at a discount of >20% and the vesting was tenure based. Or vesting is performance based but no performance metrics have been disclosed.	Discount given on stock options to all employees. While vesting was based on the accomplishment of pre-disclosed performance targets, detailed information on the specific targets and their achievement was not provided in the annual report.	The stock options were exercised at the market price, or in cases where they were granted at a significant discount, the vesting depended on meeting pre-disclosed performance targets. Detailed information on the specific targets and their achievement has been provided in the annual report.
71	Is the CEO compensation commensurate with the company's size and performance?	<p>Variable pay includes both short term and long term incentives.</p> <p>The data will be available in the latest annual report of the company. For example, if an assessment is being conducted anytime in FY26, the following formulae are to be used:</p> $R1 = \frac{(FY25 \text{ short-term pay} + FY25 \text{ long-term pay}) * 100}{FY25 \text{ total pay}}$ $R2 = \frac{FY25 \text{ total pay} * 100}{FY25 \text{ profits}}$ <p>IF, R1 > 67% and R2 < 5%, score 2 IF, R1 > 50% and R2 < 5%, score 1 IF, R1 < 50% or R2 > 5%, score 0</p> <p>For loss-making companies, the assessor must consider multiple factors including comparison with peers, correlation of pay versus the performance of the company, among others.</p>	
	Variable pay is less than 50% of overall pay or overall pay of the CEO is more than 5% of net profits	None of the two above conditions are triggered	Variable pay is more than 67% of overall pay and overall pay is less than 5% of net profits
72	Does the company have a succession plan for its directors and senior leadership?	<p>The assessor must check all relevant company documents to identify if the company has developed a succession plan for its directors and senior leadership.</p> <p>The intent of the question is to identify if the board discusses succession planning in its meetings and if it has an internal plan to arrange a smooth transition.</p> <p>To score maximum points on this question, the assessor must determine if the company has disclosed the existence of a succession plan for both directors and senior management, even if granular details are not publicly disclosed.</p>	

	Parameters	Response key	
	There is no disclosure of succession plan for directors and senior leadership	There is a succession plan for directors and senior leadership	There is a succession plan for both directors and senior leadership and a detailed framework for succession planning is disclosed
73	Is the board evaluation policy and process in place and effective?	<p>The assessor needs to check if the disclosures on board evaluation cover:</p> <ul style="list-style-type: none"> • who is evaluated (individual directors, entire board, committees) • who evaluates (nomination committee, external consultant) • how the evaluation is conducted (criteria) <p>A company will score maximum points on this question only if, in addition to the disclosures on all the three areas, there is an impact assessment conducted which lists out measures for board improvement.</p>	
	No evaluation system in place or inadequate disclosures about board evaluation	There is a board evaluation system in place but no impact assessment is provided	A robust system for evaluation is publicly disclosed and there is an impact assessment which leads to a board improvement plan
74	Are board committees evaluated separately?	<p>A company will score maximum points on this question if:</p> <ul style="list-style-type: none"> • It has carried out a separate evaluation for its board committees • It has disclosed the criteria used for evaluating its committees 	
	There is no separate evaluation of board committees	There is evidence of a review but the criteria for evaluation of committees is not disclosed	There is evidence of a review and the criteria for evaluation of committees is disclosed

DISCLAIMER

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CAVEAT

Even the best corporate governance frameworks do not guarantee that companies will always adhere to good corporate governance practices. This assessment is based on latest available publicly available information, and it will not be able to accurately predict the extent to which the documented practices are followed. It may also well be that a company may change its behaviour following a change in internal or external factors. Further, while it is expected that highly companies will create greater long-term stakeholder value, the evaluation results must not be used to predict future stock price or financial performance.

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Institutional Investor Advisory Services India Limited (IiAS) is an advisory firm that provides capital markets with independent opinions, data, and analysis on governance and ESG, including voting recommendations and ESG ratings in India, through its wholly owned subsidiary IiAS Sustain.

IiAS offers voting recommendations on shareholder resolutions for approximately 1,300 listed companies, covering over 96% of the country's market capitalization. The company operates two proprietary platforms: **SMART**, which enables tracking and reporting of stewardship activities, and **ADRIAN**, a comprehensive database of shareholder resolutions and institutional voting data.

IiAS has collaborated with the International Finance Corporation (IFC) and BSE Limited, with support from the Government of Japan, and developed the **India Corporate Governance Scorecard** - a benchmarking tool that offers granular governance scores and peer comparisons to help investors and companies evaluate governance practices.

IiAS has expanded in ESG offerings through its wholly owned subsidiary set up a dedicated subsidiary, **IiAS Sustainability Solutions Private Limited (IiAS Sustain)** to focus on ESG. IiAS Sustain has published ESG Ratings on over 500 companies, issued Second Party Opinions for green bond issuances, and works closely with hedge funds, alternative investment funds (AIFs), and private equity firms to support ESG integration. IiAS is a signatory to the United Nations Principles for Responsible Investment (UN PRI).

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