

India Secretarial Practice 2022

Study of Nifty 50 Companies



1st Nifty 50 Women Majority Board

NIFTY 50 Companies

1. Adani Ports and Special Economic Zone Ltd	11. Cipla Ltd	21. Hindalco Industries Ltd	31. Mahindra & Mahindra Ltd	41. Sun Pharmaceuticals Industries Ltd
2. Apollo Hospitals Enterprise Ltd	12. Coal India Ltd	22. Hindustan Unilever Ltd	32. Maruti Suzuki India Ltd	42. Tata Consultancy Services Ltd
3. Asian Paints Ltd	13. Divi's Laboratories Ltd	23. Housing Development Finance Corporation Limited	33. Nestle India Ltd	43. Tata Consumer Products Ltd
4. Axis Bank Ltd	14. Dr. Reddy's Laboratories Ltd	24. ICICI Bank Ltd	34. NTPC Ltd	44. Tata Motors Ltd
5. Bajaj Auto Ltd	15. Eicher Motors Ltd	25. ITC Limited	35. Oil & Natural Gas Corp Ltd	45. Tata Steel Ltd
6. Bajaj Finance Ltd	16. Grasim Industries Ltd	26. IndusInd Bank Ltd	36. Power Grid Corp of India Ltd	46. Tech Mahindra Ltd
7. Bajaj Finserv Ltd	17. HCL Technologies Ltd	27. Infosys Ltd	37. Reliance Industries Ltd	47. Titan Company Ltd
8. Bharat Petroleum Corp Ltd	18. HDFC Bank Ltd	28. JSW Steel Ltd	38. SBI Life Insurance Company Ltd	48. UPL Ltd
9. Bharti Airtel Ltd	19. HDFC Life Insurance Company Limited	29. Kotak Mahindra Bank Ltd	39. Shree Cement Ltd	49. Ultra Tech Cement Limited
10. Britannia Industries Ltd	20. Hero MotoCorp Ltd	30. Larsen & Toubro Ltd	40. State Bank of India	50. Wipro Ltd

About CimplifyFive

CimplifyFive Corporate Secretarial Services Private Limited is a pioneer in offering research and technology-based solutions for compliance with the Companies Act, 2013 and LODR, 2015. Our SaaS based product portfolio, Board Leaders Integrated Software Solution (BLISS) and its variants, is designed to eliminate the procedural non-compliance risk for entities regulated under the Indian Companies Act, 2013 and LODR, 2015. More details about CimplifyFive and its product BLISS can be obtained from our website www.cimplifyfive.com.

CimplifyFive also provides a free to use website www.ca2013.com and an Android App CAIRR+ that provides Company Law at your fingertips. This site uses hypertext to integrate rules, notifications, orders and circulars with the Act and provides real-time, online access to the Companies Act, 2013, LODR, 2015 and IB Code, 2016 as it stands on that day.

Contents

1. Preview	2
2. Key Takeaways from this study.....	4
3. Highlights of Our Study	8
4. The Board (Composition and Meetings)	12
5. Sub-Committee (Nature and Composition)	16
6. Non-executive Director (Compensation)	18
7. Statutory Auditors (Leaders & Concentration)	20
8. Secretarial Auditors (Leaders & Concentration)	21
9. Company Secretary (Compensation & Designation).....	22
10. Board of Directors' Report (What is in it?).....	23
11. CSR (Mandate and Spends).....	27
12. AGM Notice (Timing & Resolutions)	29

1. Preview

Dear Reader,

It gives me great pleasure to present CimplifyFive's **VI India Secretarial Practices 2022** report, which is based on the Annual Reports of Nifty 50 companies published in 2022. Our 2022 report follows our report published for the years 2015, 2016, 2018, 2019, 2020. The sixth report provides us longitudinal trendlines for a more insightful analysis.

Our focus is on the Nifty 50 companies as we believe they reflect and influence the practices across the wider Indian corporate sector. There are five changes in 2022 Nifty 50 composition from our 2020 report. The five new constituents are Apollo Hospitals, Divi Laboratories, HDFC Life Insurance, SBI Life Insurance and Tata Consumer Products. They replaced Bharti Infratel, GAIL, Indian Oil Corporation, Vedanta, and Zee Entertainment. Subject to this change, the data in 2020 and 2022 reports are comparable. Where required, we have provided comparative analysis of 45 companies, ignoring the five new entrants.

Nifty 50 companies fall under four distinct regulatory ambits—the Companies Act, 2013, the Banking Regulation Act, 1949, DPE guidelines for Public Sector Undertakings and State Bank of India, which is regulated by a distinct Act, as tabulated in Table 1.1.

Table 1.1 Regulatory Ambit of Nifty 50 Companies

Regulatory Ambit	2022	2020
1. Banking Regulation Act, 1949 / State Bank of India Act, 1955	1	1
2. Banking Regulation Act, 1949 /The Companies Act, 2013	5	5
3. Department of Public Enterprise Guidelines and the Companies Act, 2013	5	7
4. The Companies Act, 2013	39	37
Total	50	50

Our analysis covers ten areas:

1. Board Composition and Frequency of meetings
2. Sub-Committees size and frequency of meetings
3. Non-Executive Directors Compensation
4. Statutory Auditors Ranking and fees
5. Secretarial Auditors Ranking
6. Company Secretary-compensation and designation
7. Directors' Report contents
8. Corporate Social Responsibility spends
9. AGM notice analysis, and
10. In addition, this year for the first time we are reporting on how the companies have looked at the competency skill matrix of their board members by tabulating the different skill sets identified by the companies.

Our primary objective is to analyse data and share our inference to promote good corporate governance, as we believe the data tabulated in this report can help corporate professionals to benchmark their company's performance and plan their next year's secretarial calendar.

This study is undertaken by CimplifyFive Corporate Secretarial Services Private Limited. Our vision is to leverage research and technology to eliminate procedural non-compliance for entities regulated by the Companies Act, 2013 thereby promoting good corporate governance. We believe learning from corporate leaders is an essential ingredient to our professional excellence.

We look forward to your feedback on this report. Please share it with us at contact@cimplifyfive.com.

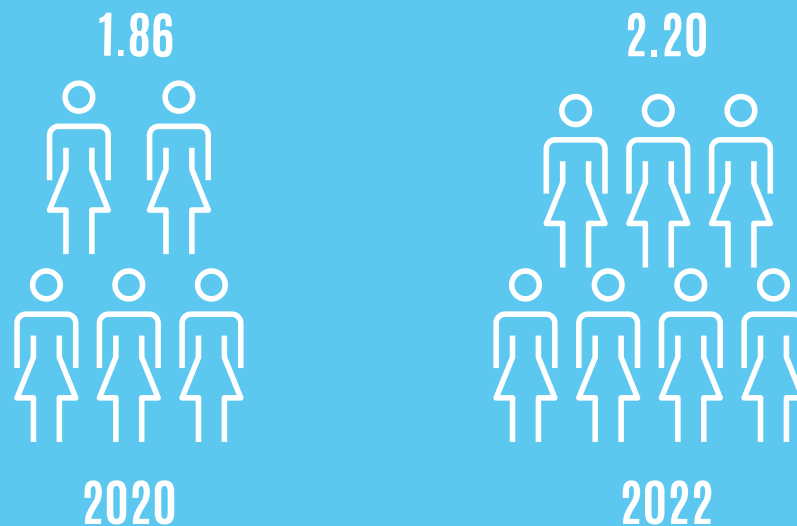
Yours sincerely,



Shankar Jaganathan
Founder & Chief Executive
CimplifyFive Corporate Secretarial Services Private Limited
January 10, 2023

Key TakeAway # 1

Women Directors on the Board: Increased 25%



- The average number of Women Directors (WDs) went up to 2.2 (AR 2020: 1.86), with 38 companies having more than 1 WD.
- The increase is significant and widespread: 15 companies had 3 WDs and 2 companies had 4 WDs.
- Apollo Hospitals has 6 WDs, constituting the majority on their Board. First time a board of Nifty 50 company where WDs are in majority.

Key TakeAway # 2

Independent Director meeting: 16 companies holds > 1



- Compared to the statutory requirement to hold one Independent Director (ID) Meeting in a Financial Year, the average number of ID Meetings held in the year was 1.73.
- 16 companies held more than one ID meeting during the year: 6 companies held four meetings, 5 companies held three meetings and 4 companies held two meetings.
- Mahindra & Mahindra held five ID meetings, the maximum held by any Nifty50 company.

Key TakeAway # 3

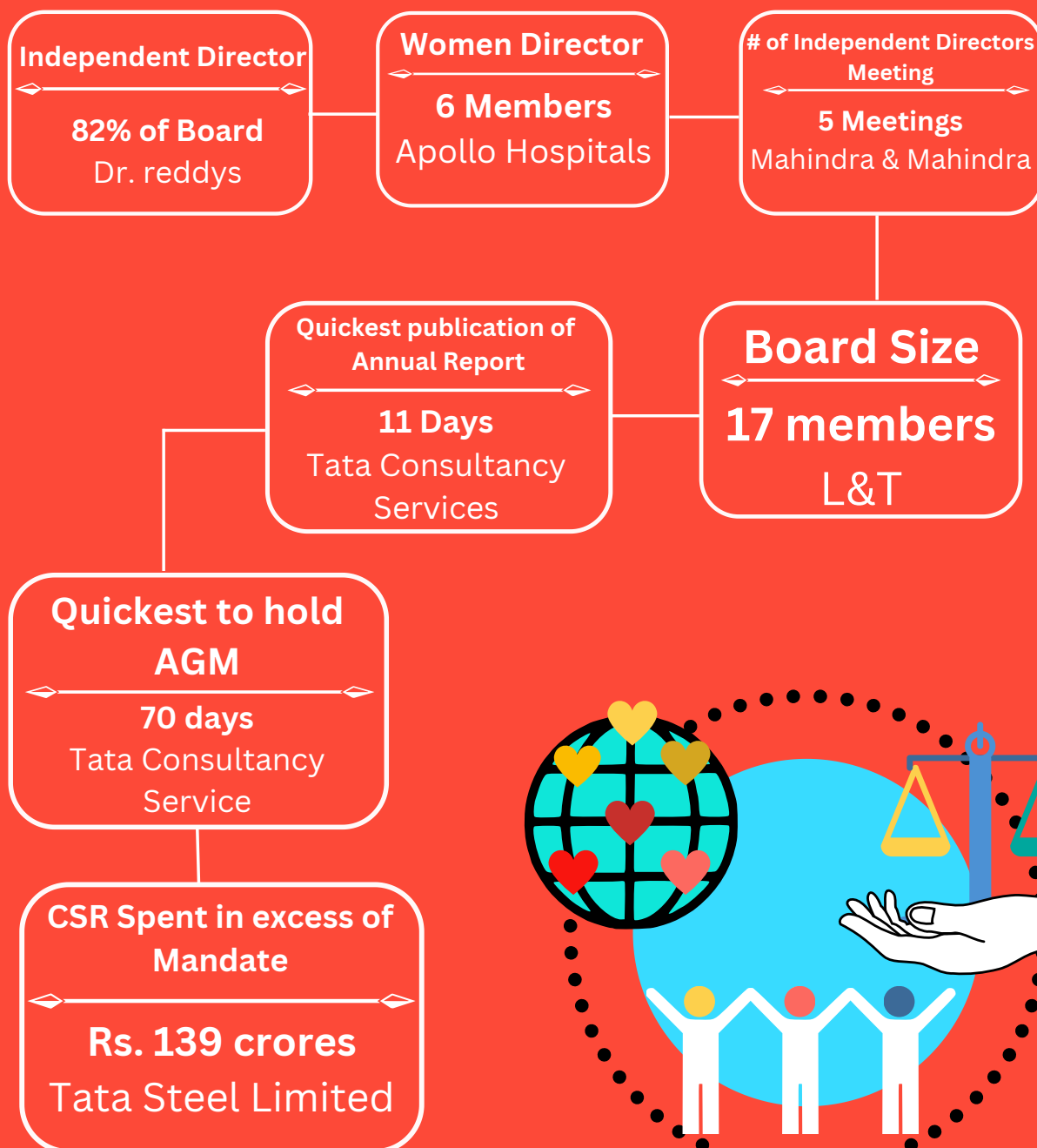
Virtual AGMs: Adoption almost complete



48 of the 50 companies, which includes all the five PSUs and SBI held their AGM virtually

Key TakeAway # 4

Outliers for Good Governance



3. Highlights of Our Study

Composition of the Board and Frequency of Meetings

Regulation 17(c) of SEBI LODR requires the top 2000 listed entities to have a minimum of 6 directors on the Board. Section 149(4) of the Companies Act, 2013 read with rule 4 of the Companies (Appointment and Qualification of Directors) rules, 2014 requires every public company to have at least one Independent Director and second proviso to Section 149(1) read with Refer rule 3 of the Companies (Appointment and Qualification of Directors) rules, 2014 requires every listed company to have at least one women director on their Board. Further Regulation 17 of LODR, 2015 requires every listed Company to have Independent Directors constituting one-third or more of their Board and where the Chairperson is a Executive Director, Independent Director constituting half or more of the Board.

1. 47 of the Nifty50 companies had the required minimum number of independent directors and all the companies except one had at least one women director on their board as required by the law.

The average number of Directors in the Nifty 50 companies remained at 11. Larsen and Toubro had the highest number of directors at 17 (AR 2020: 18) while Eicher Motors had the least number of directors at 6 (AR 2020: 6) which is the minimum required.

Section 173(1) of the Companies Act, 2013 requires every company to hold at least 4 board meetings in a year such that the maximum gap between 2 board meetings not exceeding 120 days.

2. The average number of board meetings held in the financial year ending 2022 by the Nifty 50 companies remained the same at 8 (AR 2020: 8).

IndusInd Bank Limited held the highest number of board meetings at 26 (AR 2020: 19) and the least number of board meetings at 4, the minimum number statutorily required, was held by three companies, Divi's Laboratories, Shree Cement and Tech Mahindra (AR 2020: 4) by two companies, Shree Cements and UPL).

Sub-Committees of the Board and Frequency of Meetings

Section 177 of the Companies Act, 2013 read with Rule 6-Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 18 of SEBI LODR, 2015 requires every listed company to constitute an Audit Committee. Section 178 of the Companies Act, 2013 read with rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 19 & 20 of SEBI's LODR requires every listed company to constitute Nomination and Remuneration Committee and Stakeholders Relationship Committee. Regulation 21 of the SEBI's LODR requires every listed company to constitute a Risk Management Committee and Section 135(1) of the Companies Act, 2013 requires companies meeting the threshold criteria as specified in the section to constitute a CSR Committee.

3. All Nifty 50 Companies had constituted Audit Committee¹, Nomination and Remuneration Committee², Stakeholders' Relationship Committee³, Risk Management Committee⁴ and Corporate Social Responsibility Committee⁵ as required by the mandate.

¹ The Audit Committee of Housing Development Finance Corporate Limited was named Audit and Governance Committee and that of Wipro Limited was named Audit, Risk and Compliance Committee.

4. Nifty 50 Companies had an average of 7.5 (AR 2020: 7.5) committees each. The maximum number of committees was at 18 (AR 2020:16) while the minimum was 3 committees (AR 2020:4).

Non-Executive Directors Compensation

Non-executive Directors are entitled to receive a sitting fee for the Board meeting and sub-committee meetings of the company. In addition, where decided by the shareholders, they are also entitled to receive commission, which is quantified as a percentage of profits of the Company.

5. ₹95.94 lakhs (AR 2020: ₹69.18 lakhs) is the average sitting fees paid during the year, an increase of 38.68% over the two year period and ₹419.57 lakhs (AR 2020: ₹315.77: lakhs), an increase of 32.87% over the two year period, in the average profit-based commission paid by the Nifty 50 to their Non-Executive Directors

9 companies did not pay profit-based commission to their Non-Executive Directors of which 5 are PSUs, 3 private sector companies and SBI.

Statutory Auditors

Section 139(1) of the Companies Act, 2013, requires every company to have a Statutory auditor appointed by its Shareholders who is required to report to the shareholders on the State of Affairs of the company and its profitability by providing an opinion on the financial statements approved by the Board of Directors

6. Big 4 Audit firms were ranked in the top 3 positions. They account for 33 companies (66%), a reduction of one company from the earlier report (AR 2020: 34 companies, 68%). None of the public sector companies was audited by a Big 4 accounting firm.

² The Nomination and Remuneration Committee of Bharti Airtel was named as HR and Nomination Committee, of ICICI Bank Limited named as Board Governance, Remuneration and Nomination Committee, of ITC Limited as Nomination & Compensation Committee, of Mahindra & Mahindra Limited as Governance, Nomination and Remuneration Committee, of Reliance Industries Limited as Human Resources, Nomination and Remuneration Committee, of UltraTech Cement Limited as Nomination, Remuneration and Compensation Committee and of Wipro Limited as Board Governance, Nomination and Compensation Committee

³ The Stakeholders Relationship Committee of State Bank of India was constituted as Stakeholders Relationship Committee (SRC) cum Customer Service Committee of the Board (CSCB) and of Wipro Limited was constituted as Administrative and Shareholders/Investors Grievance Committee.

⁴ The Risk Management Committee of Cipla Limited was constituted as Investment and Risk Management Committee, of Grasim Industries Limited as Risk Management and Sustainability Committee, of Hindalco Industries Limited as Risk Management & ESG Committee, of ICICI Bank Limited as Risk Committee, of Ultratech Cement Limited as Risk Management and Sustainability Committee and of Wipro Limited as Audit, Risk and Compliance Committee.

⁵ The CSR Committee of HDFC Bank Limited was constituted as Corporate Social Responsibility & ESG Committee, of Hero MotoCorp Limited as Sustainability and Corporate Social Responsibility Committee, of IndusInd Bank Limited as CSR & Sustainability Committee, of ITC Limited as CSR and Sustainability Committee, Kotak Mahindra Bank Limited as CSR and ESG Committee, of Shree Cement Limited as Corporate Social and Business Responsibility Committee, of Tata Consumer Products Limited as CSR & Sustainability Committee, of Tata Steel Limited as CSR & Sustainability Committee and Wipro Limited as Board Governance, Nomination and Compensation Committee, which also oversees the Corporate Social Responsibility initiatives of the Company.

Table 3.1 Statutory Auditors Ranking

Rank	Statutory Audit Firms	Companies #	% of Nifty 50
1	BSR & Co., LLP (KPMG)	10	20
1	Deloitte Haskins & Sells LLP	10	20
2	SR Batliboi and Associates LLP & S R B C & Co. LLP (EY)	9	18
3	Price Waterhouse Chartered Accountants LLP	4	8
3	G M Kapadia & Co	4	8
	Total	37	74

7. ₹3.83 crores (AR 2020: 3.18 crores) was the average audit fees paid by 45⁶ of the Nifty 50 companies, an increase of 20.44% over fees paid in the financial year ending 2020.

Of the 45 companies that were part of both the Nifty50 in 2022 and 2020, 34 companies (75.5%) increased the total payment made to their auditors (including limited review fee, taxation audit fee, reimbursement of expenses, certification fees and others) for the year 2021-22 in comparison to 2019-20, while 11 companies (24.5%) decreased their total audit fees for the year 2021-22 compared to the payment made in 2019-20.

Out of the 40 companies that have separately disclosed their statutory audit fees in exclusion of other payments, (certification fees, limited review fees, taxation audit fees and others), 35 companies (87.5%) have increased their audit fees for the year 2021-22, while 2 companies (5%) retained it at the same level and 3 companies (7.5%) decreased their audit fees.

Secretarial Auditors

Section 204(1) of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 requires all public limited companies with paid-up share capital of ₹50 crores or more, or turnover of ₹250 crores or more or every company having outstanding loans or borrowings from banks or public financial institutions of ₹100 crores or more and all listed companies to annex to its Boards report a Secretarial Audit Report given by a practising company who are required to give their opinion on the adequacy of systems and processes to ensure compliances with all applicable laws, rules, regulations and guidelines.

Top 5 CS firms, placed in the top 3 ranks conducted secretarial audit for 23 companies (AR 2020: 28), a decrease of 5 companies compared to the FY 2019-20.

Table 3.2 Secretarial Auditors Ranking

Rank	Audit Firm name	# of Companies	% of Nifty 50 Companies
1	Parikh & Associates	7	14%
2	BNP & Associates	4	8%
3	Alwyn Jay & Co.	3	6%
3	N. L. Bhatia & Associates	3	6%
3	Shyamprasad D. Limaye	3	6%
3	S. N. Ananthasubramanian & Co.	3	6%
	Total	23	46%

⁶ 5 of the Nifty 50 companies did not disclose their audit fees, it was reported along with other payments made to the auditor such as certification fee, limited review fee and taxation audit fee.

Company Secretaries Profile

The Companies Act, 2013 included Company Secretary as a Key Managerial Personnel for the first time. In addition, their responsibilities are enhanced by making them the Chief Compliance Officer. Does their compensation reflect their enhanced responsibility?

8. Average⁷ annual compensation for Company Secretaries of the Nifty 50 Companies was ₹191.39 lakhs, an increase of 22.13% (AR 2020: ₹156.71 lakhs, 16.81%). The highest compensation was at ₹800.4 lakhs, an increase of 21.46% and at the lower end it was ₹16.72 lakhs, a decrease of 29.1%.

In 2022, 7 (14%) of the Nifty 50 Company Secretaries were women, a decrease of 2 over the earlier reported year, 2020.

Corporate Social Responsibility

Section 135 of the Companies Act, 2013 requires every Company having net worth of ₹500 Crore or Turnover of ₹1,000 crore or net profit of ₹5 crore or more to constitute a CSR Committee and to ensure that the Company spends a minimum of 2% of the average net profit of the previous 3 financial years towards CSR Activities, failing which, the Board shall record the reasons for not spending the mandated amount and transfer the unspent amount to specified funds

9. The mandated amount in 2022 for CSR spends by Nifty 50 companies was ₹7668 crores, a decrease of 0.73% over the earlier report for financial year 2019-20. The actual spends was ₹7824 crores, a decrease of 6.12% from the earlier report for financial year 2019-20. The spends in 2022 were at 102.03% (2020: 107.8%) of the mandated amount.
10. Out of the 49 Nifty 50 companies that were mandated to spend on CSR, eleven (AR 2020: three companies) companies did not fully spend the mandated amount, but as required by the new mandate, transferred the unspent amount to a separate bank account to be spent within the next 3 financial years. This is an increase of eight companies that did not spend the mandated amount.

SBI being governed by a distinct Act was not mandated to spend on CSR but has spent and reported their CSR spends.

In the case of two companies, the amount mandated to be spent was Nil due to losses, despite this, the two companies spent a total of ₹40.13 crores. (AR 2020: 2 companies spent ₹54.51 crores).

⁷ Average is computed for 48 companies which have reported CS compensation.

4. The Board (Composition and Meetings)

Section 149 of the Companies Act 2013 requires a public limited company to have a minimum of three (Regulation 17 of LODR, the top 2000 listed entities by market cap, shall have a minimum of 6 directors) and a maximum of fifteen directors. However, with shareholders special resolution, a company can have more than 15 directors. Further, certain class of companies are required to have a minimum of one women director and one-third of its Board to comprise of Independent Directors. The Act also requires certain sub-committees to be constituted for discharging specific responsibilities of the Board.

A. Composition of the Board

Table 4.1: Composition of the Board of Directors of Nifty 50 Companies

Description	# of Directors		Company Names	
	2022	2020	2022	2020
Directors on the Board				
Average	10.94	11	↓	↓
Maximum	17	20	L&T	L&T
Minimum	6	6	Eicher Motors	Eicher Motors/ Tata Motors
Independent Directors				
Average	5.94	6	↓	↔
Maximum	10	11	HCL Technologies	L&T
Minimum	3	3	Sun Pharma/ Eicher Motors	ONGC
Composition Maximum	81.82%	83%	Dr. Reddy's	Dr.Reddy's
Composition Minimum	33.33%	33.33%	Maruti Suzuki/ NTPC/	ONGC
Women Directors				
Average	2.2	1.86	↑	↓
Maximum	6	4	Apollo Hospitals	Ultratech
Minimum	0	0	State Bank of India	BPCL/ NTPC
Executive Directors				
Average	2.74	3	↓	↔
Maximum	9	8	L&T	Indian Oil
Minimum	1	1	11 Companies ⁸	12 Companies ⁹

- 47¹⁰ of Nifty 50 companies had the required number of **Independent Directors (ID)**, as mandated. Dr. Reddy's board comprised of 81.82% IDs, the highest proportion.
- All the Nifty 50 companies except State Bank of India, had a **Women Director (WD)** as mandated. 38 Companies (2020: 33) had more than the minimum required as per law, with 20 companies having two WDs (2020: 22), 15 companies having 3 WDs (2020: 10), 2

⁸ Asian Paints, Bajaj Finance, Bajaj Finserv, Grasim Industries, HCL Technologies, IndusInd Bank, Infosys, SBI Life Insurance Company, Tata Motors, Tech Mahindra, Titan Company

⁹ Asian Paints, Axis Bank, Bajaj Finance, Bajaj Finserv, Britannia, Grasim, HCL, IndusInd, Kotak Mahindra, Tech Mahindra, Titan, Zee

¹⁰ NTPC, Power Grid Corporation and SBI did not have the minimum number of independent directors as required.

companies having 4 WDs (2020: 1) and 1 company having 6 WDs (2020: 0). The Board of Apollo Hospitals Enterprise consists of 6 Women Directors, forming majority (54.55%) of the Board of Directors.

- All Nifty 50 companies had a minimum of one Executive Director (ED). L&T had the highest number of EDs at 9, while 11 companies had the minimum required of 1 ED.

B. Changes in the composition of Board during the financial year

- Of the 45 companies that were a part of both Nifty 50 2022 and 2020 index, 19 companies saw an increase in the number of directors (2020: 6), 12 companies saw a decrease in the number of directors (2020: 23) and the number of directors in 14 companies remained unchanged (2020: 19).
- The average increase in the number of directors was 1.68 (2020: 1.5) and the average decrease in the number of directors was 1.25 (2020: 2.27).

C. Matrix setting out the skills of Board of Directors

Part C(2)(h) of the Schedule V of the SEBI (LODR) Regulations, 2015 requires the Board of Directors of the Company to map core skills/ expertise/ competencies required by the directors in a matrix in connection with the Company's business(es) and sector(s) in order to discharge the functions efficiently and to ensure that the relevant skills are available with the members of the Board and disclose the same in the Corporate Governance section of the Annual Report.

Table 4.2: Skill sets of their Directors Mapped by Companies

Skill/ Competencies/ Expertise	No. of Companies
Finance	40
Risk Management	32
Corporate Governance	29
Industry specific	28
Planning/ Strategy	26
Leadership	25
Technology	23
Human Resource	20
Accounting and Auditing	20
Sales and Marketing	19
Management	18
Global Business Experience	18
Legal	15
Regulatory and Compliance	14
Information Technology	13
Economics/ Economy	12
Customer/ Consumer Centric	10
Sustainability/ Environment	10
Merger and Acquisition	8

Public policy	6
Operations	5
Diversity	5
Supply Chain Management /Technical/ Small scale Industries/ Cooperation	4 each
Taxation/ R&D	3 each
Behavioural, Administration, Media, Treasury, Policy shaping, Government rules & regulations, Academics, Public Relations, Organisational capacity building, Foreign Exchange Management	2 each
Alternative Dispute Resolution, Political/ Social Environment, Business Process Reengineering, Inspection and Investigation, Due Diligence, Labour Laws, Designs and Aesthetics	1 each

- 3 companies, all being PSUs- Bharat Petroleum Corporation, ONGC and Power Grid Corporation have not mapped the skills/ expertise/ competencies of the directors as the Directors are selected/ appointed by the Government.
- 2 companies- JSW Steel and Ultratech Cement have identified behavioural skills as a requisite skill for the Board and included the following, extracts given below:

JSW: Ability and willingness to challenge and probe, Sound Judgement, Integrity and High ethical standards, Mentoring abilities, Interpersonal relations, Listening skills, Verbal Communication Skills, Understanding of effective decision making processes, Willingness and ability to devote time and energy to the role

Ultratech: Integrity, Curiosity and courage, Interpersonal skills, Interest, Instinct, Believer in gender diversity, Active participation.

D. Number of Board Meetings

Section 173(1) of the Companies Act 2013 require all the companies to hold a minimum of 4 board meetings in a financial year with a maximum interval of 120 days between the meetings. Based on business exigencies, a company may conduct more board meetings as required.

Table 4.2: Board Meetings conducted in a Financial Year

Description	# of Meetings		Company names	
	2022	2020	2022	2020
Average	8.28	8		
Maximum	26	19	IndusInd Bank	Coal India
Minimum	4	4	Divi's Laboratories, Shree Cement, Tech Mahindra	Shree Cements /UPL

- 3 Companies held the minimum statutory minimum number of 4 board meetings in a year, compared to 2 in the earlier reported financial year 2019-20.
- The average number of meetings conducted were 8.28 as compared to 8 meetings during the earlier reported financial year 2019-20.
- IndusInd Bank held the highest number of board meetings (26) during the year followed by Power Grid Corporation at 17 meetings and NTPC at 15 meetings.

E. Number of Meetings of Independent Directors

Regulation 25(3) of the SEBI(LODR), 2015 requires independent directors of the listed entities to hold a minimum of one meeting of the independent directors in the financial year without the presence of non-independent directors

The average number of meetings of independent directors held during the financial year was 1.73 (AR 2020: 1.65). The highest number of meetings held were 5 (AR 2020: 5) by Mahindra and Mahindra and the least being 1, the statutorily mandated number, was held by 33¹¹ companies.

Table 4.3: Independent Directors Meeting conducted in a Financial Year

Number of meetings	2022	2020
0	-	1 [@]
1	33	33 [@]
2	4	4
3	5	3
4	6	6
5	1	1
Total	49¹²	48

[@]4 companies scheduled their Independent Directors meeting in the Financial year, however it could not be held due to the pandemic and was held in the subsequent financial year.

¹¹ Adani Ports and SEZ, Apollo Hospitals, Bajaj Auto, Bajaj Finance, Bajaj Finserv, Bharat Petroleum, Britannia Industries, Coal India, Divi's Laboratories, Grasim, HCL Technologies, HDFC Life Insurance, Hero Motocorp, Hindalco, Housing Development Finance Corporation, ICICI, ITC, JSW Steel, Kotak Mahindra, Maruti Suzuki, NTPC, Nestle, ONGC, Power Grid, SBI Life Insurance, Shree Cement, Sun Pharmaceuticals, Tata Consultancy, Tata Motors, Tata Steel, Titan Company, UPL, Ultratech

¹² SBI (AR 2020: Axis Bank and SBI) has not disclosed number of independent directors meeting conducted. Hence, total of 49 (48) companies.

CimplifyBest

Tailored for Indian Corporate Board Evaluation

Optimise Board's Time & Effort

Prepopulated, customisable Survey Questionnaires for the Board, Sub-committees, Chairperson, Independent Directors & Executive Directors.

- Prepopulated questions for each survey with multiple answering options provided -Multiple choice-single selection, Multiple choice- multiple selection, Single line answers, Descriptive answers.



Confidentiality Assured for Frank Feedback

- Response delinked from respondents
- Auto generate Reports with graphs and tables to protect respondents' identity.



Automated Evidence for Secretarial Audits

- Information for Secretarial Audit available in one screen.
- Blank survey questionnaire sent to Directors available for the auditor.
- Start date, end date, number of respondents sent to and responded
- Emails sent to Directors available with proof of despatch.

Software with Advanced Features

- Role based user rights -Admin, Editor, Auditor, Director.
- Activity log to track usage and access by authorized users for additional security comfort
- Secure data -encryption at rest and in transit.

Testimonial

We conducted our Board evaluation using CimplifyBest Software. As directors we found the software "simple" and very intuitive to use. The summary report generated by the software is ready for Board Meeting presentations and facilitates a meaningful discussion. Further, the software itself can be configured easily to meet company specific needs.

Mythily Ramesh, Chairperson, Nomination and Remuneration Committee, WeP Solutions Limited

5. Sub-Committee (Nature and Composition)

To promote efficiency and effectiveness, a board can constitute committees of its members on specific domains to evaluate in detail options available and recommend a decision to the Board. Further, the law requires a listed public company to constitute an Audit Committee, Nomination & Remuneration Committee, Stakeholder Relationship Committee, Risk Management Committee and CSR Committee.

Table 5.1: Number of Committees Constituted by the Board

Description	# of Sub-Committees		Companies	
	2022	2020	2022	2020
Average	7.5	7.5		
Maximum	18	16	NTPC	NTPC
Minimum	3	4	Wipro	Shree Cements/Wipro

- i. Some unique sub-committees constituted by the Board were:
 - a. Safety, Health, and Sustainability Committee: Tata Motors
 - b. Exchange Risk Management Committee: NTPC
 - c. Cybersecurity risk Sub-committee: Infosys
 - d. Fraud Monitoring Committee: ICICI
 - e. PIT Regulation Committee: Grasim
 - f. Strategy and Innovation Steering Committee: Britannia
 - g. Reputation Risk Committee: Adani Ports and SEZ

Table 5.2 Composition of the Board's Sub - Committees

Committee	No of Companies		Maximum Members		Average Number of Members		Minimum Members	
	2022	2020	2022	2020	2022	2020	2022	2020
Audit	50	50	8	9	4.16	4.02	3	3
Nomination & Remuneration	50	50	6	6	3.86	3.68	3	3
Stakeholder Relations	50	50	8	10	3.66	3.64	3	3
CSR	49	49	9	7	4.34	4.14	3	3
Risk Management	50	44	9	7	5.2	4.60	2	3

- The average number of members across all the committees saw an increase compared to the FY 2019-20, with the highest increase being in members of Risk Management Committee of 13%.
- Audit Committee and Stakeholders Relationship Committee saw a decrease of 2 members each in the maximum number of members, while the CSR committee and Risk Management Committee saw an increase of 2 members each.

Table 5.3: Frequency of Committee Meetings

Committee	Maximum Meetings		Average Meetings		Minimum Meetings	
	2022	2020	2022	2020	2022	2020
Audit	17	19	7.74	7.24	4	4
Nomination & Remuneration	13	9	4.18	3.86	1	3
CSR	8	8	3.28	3.06	1	1
Stakeholder Relationship	12	18	2.91	3.26	1	1
Risk Management	13	7	3.68	2.89	2	2

- All sub-committees except Stakeholders Relationship Committee saw an increase in the average number of meetings. The average number of meetings of Stakeholders Relationship Committee has reduced by 32.82%.
- The highest increase in the average number of meetings held is seen in Risk Management Committee, an increase of 27.33%.
- At the higher end, the number of meetings increased for 2 committees (Nomination and Remuneration and Risk Management Committee), remained the same for CSR Committee and decreased for 2 committees (Audit committee and Stakeholders Relationship Committee).

6. Non-executive Director (Compensation)

Non-executive directors are members of the Board who are not in full-time employment of the company and spend only a portion of their time on the company. They include Independent Directors, who are the key players in ensuring good corporate governance. They are compensated by sitting fees paid for their attendance at Board and Committee meetings and a share of profits.

A. Total Compensation

Table 6.1: Compensation Paid to Non-Executive Directors

(₹ lakhs)

Description	Sitting Fees		Commission	
	2022	2020	2022	2020
Highest	447.5	494.0	1787	1150.0
Lowest	13.1	9.7	42.5	54.5
Average	95.94	77.0	419.57	326.3

- 9 (AR 2020: 11) companies paid only sitting fees and did not pay their non-executive directors any commission. These companies are:
 - i. The five public sector enterprises and State Bank of India, and
 - ii. The three private sector companies, Divi's Laboratories, HDFC Bank, SBI Life Insurance Company.

B. Sitting fees

Table 6.2: Sitting Fees for Non-Executive Directors of the Board

Sitting Fees	# of Companies	
	2022	2020
No sitting fee paid / Not found in annual report	19	15
₹20,000	1	2
₹30,000	3	3
₹40,000	4	7
₹50,000	4	8
₹60,000	1	1
₹70,000	1	1
₹75,000	1	1
₹100,000	16	12
Total	50	50

Table 6.3: Sitting fees for Board Sub-Committees

Sitting Fees	# of Companies	
	2022	2020
No sitting fee paid/ Not found in annual report	16	15
₹10,000	1	1
₹20,000	7	5
₹25,000	1	2
₹30,000	6	9
₹40,000	3	2
₹50,000	5	10
₹75,000	1	1
₹100,000	10	5
Total	50	50

- 13 (2020: 13) companies paid a **higher sitting fee for Audit Committee** compared to all other committees.
 - i. Adani Ports and SEZ- ₹50,000 for Audit and ₹25,000 for other committees.
 - ii. Asian Paints- ₹100k for Audit, Nomination and Remuneration and ₹40,000 for Other Committees.
 - iii. Eicher Motors- ₹20,000 for Audit and ₹10,000 for Other Committees.
 - iv. Grasim- 25,000 for Audit Committee, Committee of Independent Directors and IGF Divestment Committee and ₹20,000 for Other Committees.
 - v. Hindalco Industries - ₹25,000 for Audit and ₹20,000 for Other Committees.
 - vi. ICICI Bank- ₹100k for Audit, Credit, Risk and ₹50,000 for Other Committees.
 - vii. IndusInd Bank- ₹50,000 for Audit, Committee of Directors, Risk Management and ₹20,000 for Other Committees.
 - viii. ITC - ₹ 50k for Audit, NRC, CSR, Sustainability, and Independent Directors Meeting, and ₹ 10k for Securityholders Relationship Meetings.
 - ix. Larsen and Toubro Limited- ₹50,000 for Audit, Nomination and Remuneration and Risk Management, ₹35,000 for Stakeholder Relationship and CSR.
 - x. Mahindra & Mahindra - ₹ 50k for all committees other than Stakeholders Committee, for which 10k is paid.
 - xi. Tata Consumer Products- ₹30,000 for Audit, Nomination and Remuneration, Independent Directors Meeting, Executive Committee and ₹20,000 for Risk Management, CSR and sustainability and other Special Board Committees.
 - xii. Tata Motors- ₹60,000 for Audit, Nomination and Remuneration, Meeting of Independent directors and ₹20,000 for Risk Management, Stakeholders Relationship, Safety, Health & Sustainability.
 - xiii. Ultratech Cement- ₹25,000 for Audit and ₹20,000 for others.

Additional observations pertaining to committee meeting sitting fees:

- i. Asian Paints did not pay sitting fees for Shareholders Committee and increased sitting fees for Audit Committee from ₹50,000 to ₹100,000, Nomination and Remuneration Committee from ₹30,000 to ₹100,000 and Other Committees from ₹30,000 to ₹40,000
- ii. HDFC Bank- Increased sitting fees for Audit Committee, Risk Policy & Monitoring Committee, Nomination & Remuneration Committee, Credit Approval Committee, IT Strategy Committee, Independent Directors Meeting and Customer Service Committee to ₹100k
- iii. The Non-Executive directors of Housing Development Finance Corporation waived off receipt of sitting fees for CSR Committee
- iv. Sun Pharmaceuticals- Increased sitting fees for Corporate Governance and Ethics Committee to ₹100k

7. Statutory Auditors (Leaders & Concentration)

A. Leaders

Table 7.1: Top five ranked Statutory Auditors

Rank	Audit Firm name	# of Companies	
		2022	2020
1	BSR & Co., LLP (KPMG)	10	14
1	Deloitte Haskins & Sells LLP	10	9
2	SR Batliboi and Associates LLP & S R B C & Co. LLP (EY)	9	9
3	Price Waterhouse Chartered Accountants LLP	4	2
3	G M Kapadia & Co	4	1

- i. Top statutory auditors conducted audits of 10 (AR 2020: 14) companies each, while the Big 4 Audit firms conducted the audit of 33 (AR 2020: 34) companies, a reduction in 1 company. GM Kapadia & Co., was the fifth Audit firm in the top 5 ranked firms based on number of audits done.
- ii. As in our earlier report for FY 2020, all the 5 public sector enterprises and State Bank of India were audited by audit firms not belonging to the Big 4.
- iii. 16 Companies¹³ were under joint audit with more than one Statutory auditor, an increase of 6 companies from the FY 2019-20. Of which, SBI has the maximum number of statutory auditors at 12 (AR 2020: 14).
- iv. 5 audit reports of the Nifty50 companies have been signed by female auditors, an increase of 3 from the FY 2019-20.

B. Audit Fees

- i. Reliance paid the highest audit fees of ₹34 crores (AR 2020: ₹21 crores), an increase of 61.9% from the FY 2019-20. The lowest fee was paid by Bajaj Finserv of ₹14 Lakhs (AR 2020: Bajaj Finserv- ₹11 lakhs), an increase of 27.27%.
- ii. In addition, ₹182.32 lakhs (2020:191 lakhs) was the average fees paid for other services to Statutory Auditors, a decrease of 4.54% from the FY 2019-20.
- iii. Of the 45 companies that were part of both the Nifty 50 companies index in 2022 and 2020, 40 companies have disclosed amount of audit fee paid.
- iv. Of the 40 companies, 13 companies (AR 2020: 31) saw an increase in the audit fees, 5 companies (AR 2020: 9) paid the same amount of fees, and 22 companies (AR 2020: 8) paid a lower fee paid for other services.

¹³ Axis Bank, Bajaj Finance, Bharat Petroleum Corporation, Grasim, HDFC Bank, HDFC Life Insurance, Housing Development Corporation, ICICI Bank, IndusInd Bank, Kotak Mahindra, NTPC, ONGC, PowerGrid, Reliance, SBI Life Insurance, SBI

8. Secretarial Auditors (Leaders & Concentration)

- A. Section 204 of the Companies Act, 2013 mandates the Secretarial Auditor to express an opinion on the compliance status of the company with the provisions of all Acts, Rules, Regulations, Guidelines and Standards etc. which are applicable to the company after listing them out.

Leaders & Concentration

Table 8.1: Top Five ranked Secretarial Audit firms

Rank	Audit Firm name	# of Companies	
		2022	2020
1	Parikh & Associates	7	6
2	BNP & Associates	4	5
3	M/s. Alwyn Jay & Co.	3	1
3	N. L. Bhatia & Associates	3	1
3	Shyamprasad D. Limaye	3	3
3	S. N. Ananthasubramanian & Co.	3	3

- i. The top Secretarial Auditor conducted 7 (14%) audits, an increase of 1 from the earlier year (AR 2020: 6, 12%); while the top five CS firms conducted Secretarial Audit of 23 (46%), a decrease of 5 companies over our earlier report for FY 2020.
- ii. Five (AR 2020:6) out of 50 Secretarial Audit Reports are signed by Female Secretarial Auditors, a decrease of 1 company.
- iii. Three (AR 2020:4) associate members (ACS) of the ICSI signed the Secretarial audit reports of three Nifty 50 companies. The balance audit reports were signed by Fellow members (FCS) of ICSI.
- iv. Secretarial Audit Report of Tata Consultancy Services was signed on 11-04-2022 (AR 2020: Tata Consultancy Services on 16.04.2020), was the earliest report issued in 2022. The last report issued was that of Power Grid Corporation signed on 31-07-2022 (AR 2020: NTPC signed on 06.08.2020).

9. Company Secretary (Compensation & Designation)

A. Compensation for CS

Table 9.1 Compensation paid to CS of the Nifty 50 Companies

Compensation to Company Secretary	Highest		Average		Least	
	2022	2020	2022	2020	2022	2020
In ₹ Lakhs	800.4	659	191.39	156.09	16.72	23.57

- Average annual compensation for Company Secretaries of the Nifty 50 Companies was ₹191.39 lakhs, an increase of 22.13% over the two years period (AR 2020: 16.81% p.a.) over our earlier report for FY 2020. The highest compensation was at ₹800.4 lakhs, an increase of 21.46% and at the lower end was ₹16.72 lakhs, a decrease of 29.1%.
- Company Secretary with the highest compensation had the designation Executive Director, Legal & Corporate Affairs and Company Secretary, while Company Secretary with the least compensation held the designation of Company Secretary.

B. Profile of Company Secretary

- 7 (14%) company secretaries in the Nifty 50 companies were women, an increase of one over our earlier report for FY 2020 (Bajaj Finserv, Bharat Petroleum Corporation, Hero Motorcorp, NTPC, Power Grid Corporation, Reliance Industries)

Table 9.2 Top 3 Popular designations for Company Secretaries

Designation	# of Companies	
	2022	2020
Company Secretary	34	28
Company Secretary & Compliance Officer	7	11
Company Secretary combined with legal functions	5	4

In many companies, the role of the Company Secretary is combined with the role of Legal and corporate counsel. An illustrated list given here:

- Eicher Motors: Chief Legal Counsel & Company Secretary
- HDFC Life Insurance: General Counsel, Chief Compliance Officer & Company Secretary
- Hindustan Unilever: Executive Director, Legal and Corporate Affairs & Company Secretary
- Tata Steel: Company Secretary & Chief Legal Officer (Corporate & Compliance)

In many other companies, the role of Company secretary is combined with non-legal and non-secretarial role. An illustrative list is as below:

- Apollo Hospitals: Senior Vice President - Finance & Company Secretary
- Maruti Suzuki: Executive Vice President & Company Secretary
- HDFC Bank: Senior Vice President and Company Secretary
- Asian Paints: CFO & Company Secretary

India's Best Board meeting Software **BLISS**



Peace of mind and 100% compliance with the Companies Act, 2013 and SEBI's LODR

For Secretarial Team

- Securely retrieve your historical secretarial records anywhere, anytime
- Provide curated access to secretarial auditors for quick audits
- Create agenda in your formats effortlessly

For Directors

- Secure & direct access to board documents
- Easy to collaborate for informed decision making
- Single-click electronic voting on resolutions



Secure data with ISO27001,
ISO27017 & ISO27018, & SOC2
Type2 certification



Domain-rich software, integrating
over 170+ compliances with real-
time updates on regulatory changes

Trusted by 1000+ Companies Nationwide

Please contact us at [080-23324212](tel:080-23324212) or email us at contact@cimplifyfive.com to request a free demo.

10. Board of Directors' Report (What is in it?)

The Companies Act, 2013 requires a report by the Board of Directors to be laid before the members of the company in the general meeting in which financial statements are presented. The Act also specifies the information that need to be included in this report, which is quite elaborate.

A. Structuring the Directors' Report

Given how Directors' Report has evolved into a long and multi-dimensional report, most companies organize the report under different section headings which form part of the report, in addition to, providing some of the information required as annexures to the Directors Report. As a principle of good communication, where an information is in nature of details and can speak for itself, placing it in an annexure is appropriate. But where the information is substantial and is related to other parts of the report, keeping it within the report as a section head would be more suitable.

Table 10.1: Structure of the Directors Report

Directors' Report	Number		Name of Companies	
	2022	2020	2022	2020
Number of Annexures to the Directors' Report				
Average	6	7		
Maximum	28	26	Coal India	Coal India
Minimum	0	0	SBI	SBI
Number of Section headings in the Directors Report				
Average	45	32		
Maximum	73	64	ICICI Bank	Vedanta
Minimum	20	4	Hindustan Unilever	Hindustan Unilever

The average number of annexures to the Director's report decreased from 7 to 5.88 while the average number of section headings in the Director's Report saw an increase from 32 to 45.24.

B. Annexures to the Directors' Report

Table 10.2: Annexure¹⁴ in Directors Report

Title of the Annexures to Directors Report	2022	2020
Annual report on CSR activities (except SBI)	49	49
Secretarial Audit report (SBI and HUL)	48	48
Energy conservation, Technology absorption, Foreign exchange earnings and outgo	35	34
Information pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014	31	32

Extract of annual return made an exit from the list as the requirement is no longer applicable. The trend with the remaining disclosures remained consistent.

¹⁴ where more than 20 companies have given it as an annexure

C. Section Headings in the Directors' Report

Table 10.3: Section Heads¹⁵ in the Directors Report

Sl no.	Title of the Annexures to Directors Report	2022	2020
1	Financial Performance	49	47
2	Directors' Responsibility Statement	48	43
3	Statutory auditor and Auditor's Report	48	36
4	Particulars of loans, guarantees or investments	48	32
5	Particulars of contracts or/ arrangements with related parties	48	33
6	Risk Management / Risk Management Policy	47	39
7	Secretarial Audit / Auditor	47	23
8	Corporate Social Responsibility (CSR)	46	42
9	Subsidiaries, Joint Ventures and Associate Companies	45	39
10	Internal Financial control system and their adequacy	45	39
11	Conservation of Energy, Technology Absorption	45	35
12	Acknowledgements	45	42
13	Annual Return	44	0
14	Formal annual evaluation of the performance of the board, its Committees, Chairperson and individuals	43	9
15	Dividend	42	37
16	Directors and Key Managerial Personnel (KMP)	41	40
17	Whistle-blower Policy / Vigil Mechanism	41	18
18	Cost Records and Cost Audit/ Cost Auditor	39	14
19	Secretarial Standards of ICSI	38	21
20	Corporate Governance (CG)	38	34
21	Significant and material orders passed by the regulators or courts or tribunals impacting the going concern status of the Company	37	23
22	Prevention of Sexual Harassment at Workplace	37	24
23	Particulars of Employees	35	26
24	Employee Stock Option Plan (ESOP) / Employees Stock Option Scheme	35	28
25	Number of Board Meetings/ Board Meetings	35	18
26	Material changes and commitments affecting the Financial Position	30	15
27	Management Discussion and Analysis report (MDA)	29	25
28	General disclosure/ Disclosures/ Other Disclosures/ Other Statutory Disclosures	27	5
29	Audit Committee	24	15
30	Business Responsibility Report (BRR)	22	29
31	Consolidated Financial Statements/ Highlights / Accounts	23	18
32	Transfer to Reserves /Reserves	22	15
33	Share Capital	22	18
34	Declaration of Independence	20	5
35	Deposits	20	13
36	Company Performance Overview/ State of Company's Affairs	20	5

¹⁵ where more than 20 companies have given it as a section heading

- All the Companies have a section on financial performance except Bharat Petroleum Corporation where it has been disclosed as a sub-heading.
- Sections 'Extract of Annual Return' and 'Human Resource' made an exit from the list
- New Section that were used by more than 20 companies were -Annual Return, Formal Annual Evaluation, Whistle-blower, Cost records and cost auditors, Material changes and commitments affecting the Financial Position, Management Discussion and Analysis report (MDA), General disclosure/ Disclosures/ Other Disclosures/ Other Statutory Disclosures, Audit Committee, Number of Board Meetings/ Board Meetings, Consolidated Financial Statements/ Highlights / Accounts, Transfer to Reserves /Reserves, Share Capital, Declaration of Independence, Deposits and Company Performance Overview/ State of Company's Affairs made their entrance into the list of section heads that have been disclosed in more than 20 companies.
- Annual Return and Business Responsibility and Sustainability Report were the new section heads being disclosed in the Director's report in the FY 2021-22.

D. Important Reports and their Placement

Table 10.4: Placement of Important Reports

Report title	Section head in Directors Report		Annexure to Directors Report		Standalone in Annual Report		Given in their website	
	2022	2020	2022	2020	2022	2020	2022	2020
Report on Corporate Governance	1	-	9	10	40	40	-	-
Business Responsibility Report	-	6	4	5	13	33	4	6
Report on CSR Activities	-	1	49	49	-	-	-	-
Management Discussion & Analysis	2	4	2	6	46	40	-	-
Business Responsibility and Sustainability Report	-	NA ¹⁶	2	NA	22	NA	5	NA

- **Report on Corporate Governance:** 80% (40 companies) of the Companies placed this as a separate report, same as in FY 2020. 18% (9 companies) annexed the report to the Director's report, a reduction of 2% (1 company) from the our earlier report for FY 2020.
- **Business Responsibility Report:** During the month of May 2021, SEBI (LODR) Regulations, 2015 were amended to replace Business Responsibility Report (BRR) with Business Responsibility and Sustainability Report (BRSR). BRSR is applicable to top 1000 listed companies based on market capitalisation on a voluntary basis from FY 2021-22 and

¹⁶ Not Applicable since applicability of Business Responsibility Report has been introduced on a voluntary basis from FY 2021-22 and mandatory basis from FY 2022-23 for the Top 1000 listed companies based on market capitalisation.

mandatorily from 2022-23. Given this, 21 companies of the Nifty 50 companies continued with Business Responsibility Report for the FY 2021-22. Out of the 21, 13 companies placed BRR as a separate report, 4 companies placed it on their website and 4 companies provided it as an annexure to the Board's Report.

- **Report on CSR Activity:** The trend remains the same for CSR reporting. 49 companies provided the report as an annexure to the Board's report, the same as the our earlier report for FY 2020.
- **Management Discussion and Analysis:** 92% (46 companies) of the companies reported this in the form of a separate report, an increase by 12% (6 companies) from the our earlier report for FY 2020.
- **Business Responsibility and Sustainability Report:** 22 of the 29 companies who included BRSR in their annual report placed it as a separate report and 2 companies annexed it to the Board's Report, while 5 companies placed it on their website.

11. CSR (Mandate and Spends)

The Companies Act, 2013 mandates large companies defined by the threshold of their net-worth, turnover or profit to constitute a CSR Committee of the Board to formulate and recommend CSR Policy, recommend expenditure to be incurred and monitor CSR Policy implementation. Section 135(5) of the Companies Act, 2013 requires the Board to ensure that at least 2% of average profits of the last three years is spent on CSR, failing which, the Board shall record the reasons for not spending the mandated amount. Further, section 135(6) of the Act states that if the amount unspent is pertaining to any ongoing project, it shall be transferred to unspent CSR account which shall be utilized by the Company within 3 financial years.

A. CSR Spend

Table 11.1: CSR Mandate and Spends

CSR Expenditure	# of Companies		Company Names	
	2022	2020	2022	2020
CSR amount Mandated ₹ in Crores				
Total for Nifty 50	7668.72	7725.42		
Least	0.44	1.16	Bajaj Finserv	Bajaj Finserv
Highest	737	874.95	Reliance	Reliance
CSR amount spent ₹ in Crores				
Total for Nifty 50	7824.47	8334.27		
Least	0.45	0.07	Bajaj Finserv	Zee Entertainment
Highest	813	908.71	Reliance	Reliance
CSR amount spent in excess of mandate ₹ in Crores				
Total for Nifty 50	549.44	762.33		
Least	0.01	0.04	Bajaj Finserv	Bajaj Finserv
Highest	139.4	163.24	Tata Steel	Coal India
Unspent CSR amount ₹ in Crores				
Total for Nifty 50	393.69	152.71		
Least	3.14	25.66	ITC	BPCL
Highest	95.17	88.02	Kotak Mahindra Bank	Zee Entertainment
% of Unspent CSR amount				
Least	0.88%	7%	ITC	BPCL
Highest	59.07%	99%	Kotak Mahindras	Zee Entertainment

- **Growth in CSR spend mandated and actual spent:** There is 0.73% decrease of the CSR amount mandated and a 6.11% decrease in the CSR amounts spent by the Nifty 50 companies over our earlier reported amount for the financial year 2019-20.
 - SBI which is mandated by RBI to spend 1% of its profit on CSR activities, has spent ₹204.1crores (2020: 27.42 crores).
 - In two companies, the amount mandated to be spent was zero due to losses, despite this, the two companies spent ₹16.43 crores and ₹23.7 crores . (2020: ₹31,61 crores and ₹22.91 crores).

B. Reason for Not Spending the mandated amount

10 (2020: 3) out of the 50 companies spent less than the mandated amount required for CSR in the FY 2021-22. The explanation provided for short spending is tabulated in Table 11.2.

Table 11.2: Reasons for Not Spending CSR Mandated Amount

Reasons for Not spending CSR amount	# of Companies		Company Names	
	2022	2020	2022	2020
Multi-year project / Long gestation period	-	1	-	BPCL
Non availability of suitable projects	-	1	-	Zee Entertainment
NGOs' inability to utilize the large CSR amounts allocated to them	-	1	-	Kotak
Constraints faced by Implementing Agency	1	-	Bharat Petroleum Corporation	-
Amount pertains to an ongoing project/ long-term/ continuous programs	4	-	Axis Bank Bajaj Auto Eicher Motors Infosys	-
Delay due to the pandemic	1	-	Bajaj Finance	-
Not applicable since unspent amount pertains to an ongoing project has been transferred to Unspent CSR account as per provisions of section 135(6) of the Companies Act	4	-	Dr. Reddy's Hindustan Unilever ITC Kotak Mahindra	-
Total	10	3	-	-

12. AGM Notice (Timing & Resolutions)

Section 96 of the Companies Act, 2013 requires a company to call for an AGM anytime within six months of its year end. Regulation 44(5) of the SEBI LODR, 2015 requires top 100 listed companies to hold the AGM within five months of its year end. Company needs to convene a board meeting where its annual accounts are approved by its directors and an annual report is sent to its shareholders providing 21-day notice for convening the AGM.

A. Annual General Meeting Calendar

Short time interval between year end and the board meeting/ AGM is an indication of the company's efficient reporting systems and an indicator of good governance.

Table 12.1: Timeline for AGM and Board Meetings for Approval of Accounts

Description	# of Days		Company Names	
	2022	2020	2022	2020
Year end to Board Meeting				
Average	59	72		
Least	11	16	Tata Consultancy	Tata Consultancy
Most	127	158	Power Grid Corporation	BPCL
Board Meeting to AGM				
Average	65	65		
Least	24	25	Power Grid Corporation	Power Grid Corporation
Most	129	145	ICICI Bank	HCL Technologies
Year end to AGM				
Average	124	137		
Least	70	72	Tata Consultancy	Tata Consultancy
Most	153	192	Maruti Suzuki	ONGC

- The average time taken to hold Board meetings decreased by 13 days to 59, and the average time to hold AGM decreased by 13 days to 124.
- The average gap between board meeting and AGM remained at 65 days, same as in the year 2020.
- 48 of the 50 companies, including all the five PSUs and SBI held their AGM virtually, promoting greater participation by shareholders in the meeting thereby promoting good governance.

B. Number of Shareholder resolutions

There are four resolutions to be taken up as Ordinary Business in an AGM, namely, Appointment of Auditors, Approval of Annual Accounts, Appointment /Reappointment of Directors and Declaration of Dividend. Any other resolutions taken up at the AGM will be treated as Special Business.

Table 12.2: AGM Nature and Quantum of Business Transacted

Description	# of Resolutions		Company Names	
	2022	2020	2022	2020
Ordinary Business				
Average	4.32	3.58		
Least	1	0	State Bank of India	State Bank of India, Eicher Motors, Axis Bank
Most	9	6	Kotak Mahindra Bank	HDFC Bank
Special Business				
Average	5.04	4.1		
Least	0	0	Divi's Laboratories, HCL Technologies, State Bank of India, Wipro	TCS, Britannia
Most	19	10	ICICI Bank	NTPC, L&T
AGM notice	# of pages		Company Names	
	2022	2020	2022	2020
Average	21.4	14		
Least	6	5	State Bank of India	State Bank of India
Most	60	31	ICICI Bank	IndusInd Bank

C. Increased activity in AGM: The average number of ordinary resolutions proposed in the AGM increased to 4.32 from 3.58 and the number of special resolutions saw an increase as well from 4.1 to 5.04. Owing to the increased number of resolutions, the average number of pages of the AGM notice increased from 14 to 21.4.

Team



Disclaimer and Limitations of the Study

- **General Information:** CimplifyFive has prepared India Secretarial Practices 2022 Report to identify new trends, practices and lessons emerging from the secretarial practices of Nifty 50 companies, with the intent of disseminating it to all Corporates in general and the CS and CA professionals in particular. This report is not intended to act as a recommendation or condemnation of any practice, company or firm covered in this report.
- **Risk Warning:** CimplifyFive shall not be responsible for any loss or damage arising for anyone using any information contained in this report.
- **Source of Information:** CimplifyFive has used the information contained in the websites/Annual Reports of the Company.
- **Limitations:** Competent professionals with adequate experience have undertaken this study. Further, they have also followed a due process of checks and verifications to ensure accuracy of this report. This should have eliminated almost all errors from this report. If any points in the nature of errors are brought to our notice and we agree with the same, CimplifyFive will rectify the report at the earliest and have the revised report available on its website. CimplifyFive does not accept any loss or damage caused to any individual or institution by use of this report.

Board Leaders Integrated Software Solutions



BLISSPLUS

**BLISS
LISTED**

BLISSGLOBAL

BLISSDOCS

CIMPLYBEST



BLISS is a Cloud hosted software that automates the routines, provides an e-repository, timely alerts and a real-time dashboard, all aimed at ensuring compliance and good corporate governance. By doing so, it provides complete peace of mind to the Board of Directors and assurance to professionals by providing them with real-time compliance status with respect to the Companies Act,2013

An advanced variant of BLISS with multiple premium features like Directors view, facility to store past Secretarial records, automated compliance tracker for size based compliance under the Companies Act,2013

An advanced variant of BLISSPLUS for Listed Companies with Companies Act,2013 and SEBI's LODR 2015 compliances integrated to provide a single point compliance automation, risk manager & e-repository for secretarial records including past secretarial records.

BLISSGLOBAL is a cloud hosted key document management solution with Action Tracker that provides master data capture of the entity, e-repository for document management, Automated Tracker for managing event based and calendar based activities.

An Android/IOS based Board app for Directors which provides secure access to Board documents on Tablets/mobile phones, enhancing Directors productivity and making the Board meetings efficient & effective

CimplyBest is a tailor-made software for Indian Corporates in conducting Corporate Board Evaluation which will optimize Board's Time & Effort with confidentiality assured.

CAIRR is a free to use website from CimplyFive that provides at your fingertips, an integrated view of the Companies Act, 2013, IB Code, 2016 and LODR, 2015. The site and app is updated daily at 11AM for changes in the Act & Regulations. For more details, please visit www.ca2013.com