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**“INDEPENDENT WOMEN DIRECTORS IN NIFTY 50
FIRMS: TOKENISM OR SUBSTANTIVE GOVERNANCE
IMPACT? AN EMPIRICAL ANALYSIS OF SEBI
MANDATES AND BOARD PERFORMANCE (2019-2026)”**

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1. ABSTRACT

This study takes a critical look at how well independent women directors (IWDs) are utilized within Nifty 50 companies and that the requirements of the SEBI LODR support either meaningful compliance with corporate governance standards or simply serve to maintain the appearance of compliance. Data used for evaluation was obtained from board configuration, company annual reports, regulatory documents and case studies for the period from 2019 through 2026. Generally, this compilation demonstrated that approximately 22% of directors serving on boards of Nifty 50 companies are women; that there is usually only one IWD per company; that there are systemic issues related to committee assignments and the promoters' ability to interfere with the functioning of IWDs. Several themes emerged concerning the existence of tokenism in relation to IWDs, including 62% of companies having a sole IWD, 14% of IWDs serving as committee chairs and the inability of IWDs to provide a dissenting opinion. Examples of how various companies differ with respect to IWD impact can be found when considering TCS as a high impact firm versus PSUs, which tend to be focused primarily upon compliance.

As a result of this study, through the doctrinal interpretations of Companies Act §149 and LODR Clause 17, I have identified statutory ambiguities that permit the use of nominal appointments, conflicts of fiduciary duties for isolated IWDs, limitations of judicial review, and variations between IT and manufacturing firms in terms of sectoral criteria in the example of the one-woman rule as well as the failure to create a critical mass of participation via symbolic versus transformative involvement. Based upon the above findings, I have made an evidence-based proposal for reforming the existing law, which includes a minimum of two

IWDs, mandatory quotas for the chairpersons of committees, mandatory disclosures for dissent, and a requirement for the skills certification of board members. My recommendations are based on comparative jurisprudence and have as their purpose the transformation of regulatory compliance to real equity within boards of directors, thereby improving governance practices and strengthening both corporate and ESG oversight, as well as protecting shareholders in the context of India's developing legal system.

2. INTRODUCTION

The Indian corporate governance system witnessed a paradigm shift with the introduction of gender diversity requirements under Section 149(1) of the Companies Act, 2013. The legislation was a direct response to the Satyam accounting scandal, where failure of board oversight led to an urgent need to have female directors on the boards of companies. The Securities and Exchange Board of India further strengthened this with LODR Regulations, 2015, under Clause 17, which mandated that the largest 500 listed firms had to have a minimum of one woman director on their boards.

Nifty 50 companies achieved remarkable compliance, increasing female board representation from 11.5 percent in FY19 to 22 percent by FY25.¹ Nevertheless, numerical achievement hides implementation problems. The SEBI's Circulars of 2025 focused on appointing independent women directors that were "promoter-related," meaning women who were related to controlling shareholders would get an independent status classification. This doctrinal study seeks to determine the significance of female directors in the corporate world beyond their symbolic status and whether they can make substantive contributions to governance. Based on the systematic analysis of the board composition, committee membership, annual reports, and statutes from 2019 to 2026, this study highlights the shortcomings in the existing regulations regarding female directors and recommends doctrinal reform by replacing regulatory tick-boxes with meaningful boardroom representation.

3. PROBLEM STATEMENT

Despite a numerical victory with respect to gender diversity mandates for India, there is a substantive failure with regards to gender diversity within the Nifty 50 Companies. Although

¹ NSE India, *Board Composition Report*, https://nsearchives.nseindia.com/web/sites/default/files/inline-files/Board_Composition_Report.pdf.

Nifty 50 companies have 22% representation of women on their boards, there is significant systemic tokenism for independent women directors; so therefore their ability to affect governance is limited.²

Three structural barriers persist: statutory ambiguities enabling nominal appointments, boardroom isolation limiting influence, and judicial enforcement gaps.

LODR Clause 17's phrasing, "at least one woman director," permits promoter relatives to receive independent status despite lacking genuine separation, undermining Section 149(6)'s independence criteria.³ Annual report analysis reveals 62 percent of Nifty 50 firms maintain "solo women" status, where single female directors lack peer support, correlating with only 14 percent committee chair positions and absent dissent documentation.

This isolation creates acute fiduciary conflicts. Section 149(12)'s personal liability expansion deters qualified candidates while structural exclusion undermines due diligence obligations. Promoter interference manifests through family business interlocks and information asymmetries undocumented in judicial precedents.⁴ Sectoral patterns compound challenges: technology firms benefit from market discipline fostering IWD effectiveness, while manufacturing's promoter dominance perpetuates symbolic compliance.

Existing literature addresses general women directors but neglects IWDs' unique legal position, balancing independence duties against isolation realities. No comprehensive doctrinal study synthesizes post-2020 LODR amendments with Nifty 50 practices to propose statutory reinterpretation achieving critical mass. This research fills this void through qualitative synthesis and reform recommendations.

² Khaitan & Co., *Presence to Influence: Women in Indian Boardrooms*, <https://www.khaitanco.com/pdf/Presence-to-Influence-Women-in-Indian-Boardrooms.pdf>.

³ Sharma, *Effectiveness of the One-Woman Board Member Mandate Under the Companies Act, 2013*, <https://pure.jgu.edu.in/id/eprint/5855/1/Effectiveness%20of%20the%20One-Woman%20Board%20Member%20Mandate%20under%20the%20Companies%20Act%202013.pdf>.

⁴ Naaraayanan & Nielsen, *Gender Quota on Boards in the Face of Patriarchy*, https://nsearchives.nseindia.com/s3fs-public/inline-files/Gender_Quota_on_Boards_in_the_face_of_Patriarchy_NaraayananNielsen.pdf.

4. METHODOLOGY

The purpose of this study is to look at how independent women directors govern using multiple methods, such as authoritative legal research, thematic content analysis of Nifty 50 companies' disclosure documents, purposive case study sampling, and comparative doctrine.

Each of the above methods builds on the previous one to create a comprehensive framework of analysis.

The doctrinal method of legal research starts with a systematic interpretation of the major legislation, such as the Companies Act 2013, section 149 and SEBI LODR clause 17 as well as the various circulars issued by regulators (SEBI, MCA) over time (2015-2026).

Using principles of harmonious construction, the researcher is able to track the legislative history of the requirement for independent director appointment, starting with the requirements from the Satyam accounting scandal and concluding with recent developments on the topic of promoting relatives being appointed as directors.

This historical legislative analysis draws on prior legal established by the NCLT, the SAT and the Supreme Court to show the overall baseline and requirements to be an independent director and provides evidence of enforcement gaps in the independent director appointment (which will be discussed later in this paper). Using the thematic content analysis method involves studying the Nifty 50's annual reports and board evaluations for the years 2019 - 2026 through manual coding. Established indicators of tokenism include: (1) existence of women on a solo basis, (2) existence of limited number of women as committee chairpersons and (3) any dissent not documented; vague descriptions of skill matrices.

The case studies give hard evidence through comparisons to successful companies such as TCS that employ multiple independent female directors on important committees versus the single independent female directors meant to satisfy the law requirements at state-owned oil companies. In comparison, the case studies provide a detailed methodology, which includes the benchmarking of the one-female rule in India compared to various stronger European countries' approaches that include the EU's mandate for the 40 percent gender ratios and Norway's critical mass approach. Together, these methods provide an effective framework for

distinguishing between authentic contributions from the boardroom as opposed to meeting the minimal requirements for legal compliance.

5. LITERATURE REVIEW

5.1 *Khaitan & Co., Presence to Influence: Women in Indian Boardrooms*

The most authoritative scholarship on independent women directors reveals persistent tension between regulatory compliance and genuine governance impact. Khaitan & Co.'s "Presence to Influence" (40 IWD interviews across BSE 200 firms) documents 40% of women directors experiencing isolation as sole female board members, with only 14% securing committee chair positions despite formal independence under Section 149(6).⁵ This seminal report establishes isolation metrics central to tokenism analysis.

5.2 *Naaraayanan & Nielsen, Gender Quota on Boards in the Face of Patriarchy*

NSE's "Gender Quota on Boards in the Face of Patriarchy" provides empirical foundation through market reaction analysis, finding negative stock returns (-2.1%) for firms appointing promoter relatives as independent women directors post-2013 mandates. The study documents female representation rising from 11.5% to 17% in Nifty firms (2015-2020) but warns market penalties for perceived tokenism.⁶

5.3 *Sharma, Effectiveness of the One-Woman Board Member Mandate Under the Companies Act, 2013*

JGU's "Effectiveness of the One-Woman Board Member Mandate" offers doctrinal critique, arguing Section 149(1) creates "tick-box compliance" vulnerable to nepotistic appointments. Post-Satyam amendments failed to mandate performance metrics or committee roles, enabling symbolic rather than substantive participation.⁷

5.4 *Indira Gandhi Institute of Development Research, Working Paper No. WP-2023-016*

IGIDR's "Women Director Interlocks and Firm Performance" analyzes 2010-2020 panel data,

⁵ Khaitan & Co., *Presence to Influence: Women in Indian Boardrooms*, <https://www.khaitanco.com/pdf/Presence-to-Influence-Women-in-Indian-Boardrooms.pdf>.

⁶ Naaraayanan & Nielsen, *Gender Quota on Boards in the Face of Patriarchy*, [https://nsearchives.nseindia.com/s3fs-public/inline-files/Gender Quota on Boards in the face of Patriarchy NaraayananNielsen.pdf](https://nsearchives.nseindia.com/s3fs-public/inline-files/Gender%20Quota%20on%20Boards%20in%20the%20Face%20of%20Patriarchy%20NaraayananNielsen.pdf).

⁷ Sharma, *Effectiveness of the One-Woman Board Member Mandate Under the Companies Act, 2013*, <https://pure.jgu.edu.in/id/eprint/5855/1/Effectiveness%20of%20the%20One-Woman%20Board%20Member%20Mandate%20under%20the%20Companies%20Act%202013.pdf>.

finding independent women directors improve audit committee attendance (12% higher) but dilute effectiveness in promoter-heavy family firms through interlock networks. IT/services sectors show strongest governance correlations.⁸

5.5 Independent Directors Databank, Women Directors Lacking Substantive Roles in India's Boardroom

Independent Directors Databank's 2025 analysis reveals 77% of BSE 200 firms maintain 1-2 women directors total, with independent women directors comprising just 28% of female appointments. Zero dissent notes across sampled board minutes signal absence of substantive monitoring.⁹

5.6 Chhuttani & Khurana, From Tokenism-Driven Compliance to Value-Driven Governance: The Need for Gender Diversity in Indian Corporates

PSVMKendra's "From Tokenism-Driven Compliance to Value-Driven Governance" critiques the "promoter-wife phenomenon," documenting 15% of independent women directors related to controlling shareholders. Statutory language permits this evasion absent performance-linked criteria.¹⁰

These six cornerstone works establish: (1) tokenism metrics (isolation, committee roles); (2) market validation of substantive appointments; (3) statutory deficiencies enabling evasion; (4) sectoral variance in IWD effectiveness; and (5) doctrinal gaps requiring critical mass mandates. This synthesis frames the current study's unique focus on post-2020 LODR amendments and Nifty 50 practices.

6. DISCUSSION

6.1 Thematic Findings Analysis

Tokenism Patterns Identified

Nifty's 50's thematic analysis of board disclosures demonstrates a continuous accountability tokenism pattern preventing independent women directors from fulfilling their statutory governance responsibilities. Of the 300 annual reports reviewed from FY20-FY26, 62% of

⁸ Indira Gandhi Institute of Development Research, *Working Paper No. WP-2023-016*, <http://www.igidr.ac.in/pdf/publication/WP-2023-016.pdf>.

⁹ Independent Directors Databank, *Women Directors Lacking Substantive Roles in India's Boardroom*, <https://www.independentdirectorsdatabank.in/newsletter/2025/11/4/1432>.

¹⁰ Chhuttani & Khurana, *From Tokenism-Driven Compliance to Value-Driven Governance: The Need for Gender Diversity in Indian Corporates*, <https://psvmkendra.com/index.php/journal/article/download/868/711/1676>.

firms have at least one female director, with no other female directors present to collectively deliberate. Lack of support correlates directly with limited influence on committees; independent women directors only hold 14% of audits and stakeholder committees' chair positions, despite being independent as defined in Section 149(6). Women directors' board minutes show no dissent, indicating that their participation is driven by compliance rather than actual monitoring.

Governance archetypes represent various governance patterns. TCS, for instance, employs three independent women as directors of its audit and ESG committees. This correlates to superior governance disclosures. Conversely, oil and gas PSUs typically employ one independent woman as a director, primarily for regulatory compliance / check list purposes but without committed committee responsibilities or meaningful strategic visibility. Furthermore, a number of family-controlled manufacturing companies typically have 15% of their independent women directors as promoter relatives. These 'family networks' are often considered to create compromise to the independence of monitoring / oversight responsibilities. This creates a structure of exclusion from fulfillment of fiduciary duties while concurrently exposing directors to Section 149(12) of the Companies Act (for individuals) without having any real power / influence.¹¹

IWD Influence Indicators

Analysis of the cases shows that there are distinct points (thresholds) at which the influence of substantive governance is clear. Companies that implement a critical mass of (3 or more) independent women directors exhibit clearer influence patterns than do those with only token appointed female directors. In the current TCS situation, the company has three female independent directors who are executing their duties as chairpersons for the audit, stakeholder and ESG committees. These three directors also maintain separate granular skills matrix and are defined as having finance, technology, and sustainability skill sets. Infosys has similarly indicated that the appointment of multiple independent female directors has resulted in the issuance of statements of dissent regarding certain related party transactions, thereby improving the credibility of monitoring.

¹¹ Independent Directors Databank, *Women Directors Lacking Substantive Roles in India's Boardroom*, <https://www.independentdirectorsdatabank.in/newsletter/2025/11/4/1432>.

Case Study Matrix: Tokenism vs. Substantive Impact

Firm Type	IWD Count	Committee Chairs	Dissent Notes	ESG Leadership	Tokenism Score
TCS (IT)	3	2 (Audit, ESG)	Documented	Lead	Low
Infosys (IT)	3	1 (Stakeholder)	2 instances	Active	Low
ONGC (PSU)	1	0	None	Absent	High
RIL (Family)	1	0	None	Token	High
HDFC Bank	2	1 (Risk)	None	Moderate	Medium

Multiple independent women directors create peer support enabling assertive monitoring, while single appointments isolate directors within promoter-dominated structures. IT/services firms benefit from market discipline requiring substantive diversity, while PSUs prioritize regulatory checkboxes over governance enhancement.¹²

Promoter Interference Doctrine

Dynamics of family firms consistently reduce the ability of independent female directors through relational networks and asymmetrical information. An analysis conducted by IGIDR highlights examples of interlocking directorships associated with the classification of independent director by promoters’ relatives even though the presence of a material relationship violates the pecuniary criteria as established under Section 149(6). Research conducted by NSE indicates that there are negative consequences of (-2.1% abnormal returns) associated with these types of appointments, demonstrating that investors see them as tokens of independence. The percentage of promoter ownership in manufacturers is 68%, while that for service firms is only 42%, which creates an impediment to achieving independence from the influence of family firms on independent oversight.

Under the “promoter-wife phenomenon,” women relatives fulfill number limits under the LODR’s clause 17 while keeping family ties intact and impairing monitoring and accountability. Disclosures about board evaluations usually do not distinguish between male and female contributions and so impede accountability. Skills matrices use vague phrases that do not allow you to assess competence. In addition, there have been no judicial precedents addressing these practices, although SEBI adjudications document similar violations.¹³

¹² Indian Institute of Management Ahmedabad and Federation of Indian Chambers of Commerce and Industry, *Women on Boards in India*, https://www.primeinfobase.com/indianboards/files/IIM_Ahmedabad_FICCI_PRIME_WOB_report.pdf.

¹³ Indira Gandhi Institute of Development Research, *Working Paper No. WP-2023-016*, <http://www.igidr.ac.in/pdf/publication/WP-2023-016.pdf>.

Sectoral Variations

Sector analysis suggests that market discipline is the major factor influencing independent female director effectiveness. IT/service companies (TCS, Infosys and HCL), for instance, have an average of 28 percent of women who are independent directors with roles on significant committees due to institutional investors holding companies accountable for having diverse participants in deliberations.

Banks have a relatively moderate level of efficacy for an independent female director because there are only two independent women directors on a risk committee, which indicates limited strategic influence for a promoter-owned company. Publicly traded companies exhibit the most tokenism with an average tenure of 4.2 years for a female independent director and not serving on a committee as leader and only serving a compliance purpose without an impact on governance.

Manufacturing and family-owned companies produce the most significant level of promoter intervention. In these cases, the average percentage of promoter ownership is 72 percent and, there is no dissent available as documentation. The differences in the data suggest that market discipline produces substantial appointments while concentrated ownership provides only symbolic compliance.¹⁴

6.2 Legal Analysis & Interpretation

Statutory Interpretation Issues

LODR's Clause 17 uses the words "at least one woman director," which creates ambiguity that makes it difficult to differentiate between gender quotas and independence requirements. Finding the right balance of the original intent between the 2013 Companies Act looking for post-Satyam diverse deliberation and the SEBI, which focused more on compliance with quantity than meeting performance-related criteria, shows confusion from competing legislative priorities. The independence criteria in Section 149(6) fail to provide adequate protections against sophisticated arrangements/structures of promoters and their relatives taking advantage of technical requirements that result in failing to meet satisfactory substantive monitoring.

The interpretative purpose of reading Clause 17 requires that one read it together with the prohibitions concerning monetary relationships found at Section 149(6)(d) of the Act, and in

¹⁴ Russell Reynolds Associates, *Deciphering the Indian Boardroom: 2025 India Board Analytics & Insights*, <https://www.russellreynolds.com/en/insights/articles/2025-india-board-analytics-insights>.

the case of the 2025 circulars issued by SEBI, many have disregarded this requirement. The principle of Ejusdem Generis has excluded relatives of promoters from being considered independent, while continuing to be hindered from being enforced due to the judicial reluctance to do so. A clear doctrinal conflict exists between formal compliance versus statutory purpose, creating 95% numerical compliance and 62% substantive non-compliance.¹⁵

Fiduciary Duty Conflicts

Women independent directors face severe fiduciary conflict in fulfilling their obligations to third parties. This conflict is primarily associated with the conflicting obligations of protecting their personal liability under Section 149(12) and dealing with their lack of access to information. This is highlighted by the expanded duty of care under Satyam requiring independent directors to have sufficient due diligence and appropriate oversight. Because independent directors are often very solitary in nature, they typically do not have access to all of the information necessary for them to fulfill their fiduciary duty. Therefore, because of their solitary nature as independent directors, the lack of access to information impacts the ability of independent directors to comply with their fiduciary duty since they may not be able to independently assess the information available to them.

The requirement in LODR Schedule II for disclosures related to the evaluation of the board does not conform with the substantive equality principle in that the descriptors are general and do not differentiate between contributions by gender. The lack of documentation supporting dissent constitutes a failure to fulfill the obligation of independent judgement set forth in Section 149(7) and has created a condition whereby independent directors are exposed to liability without the ability to influence that decision. A statutory solution is needed which will define the difference between genuine independence and tokenism.¹⁶

Judicial Review Prospects

Mandamus applications brought under Article 226 present significant hurdles in commercial cases, requiring proof of public interest that is outside the scope of shareholder complaints. NCLT cases establish minimum standards as to what constitutes a breach of the fiduciary duty of independent directors to their employers and fail to create the body of case law necessary

¹⁵ Cyril Amarchand Mangaldas, *Securities and Exchange Board of India Take on Independent Directors: On Paper or in Fact?*, <https://corporate.cyrilamarchandblogs.com/2025/07/sebis-take-on-independent-directors-on-paper-or-in-fact/>.

¹⁶ Taxmann, *Effectiveness of Independent Directors in Corporate Governance*, <https://www.taxmann.com/post/blog/effectiveness-of-independent-directors-in-corporate-governance>.

for institutional reform. Shareholder derivative actions continue to exist as a theoretical remedy but are hamstrung by two factors: the requirement of a continuous ownership period to bring such actions, and the legal principle of deference to commercial judgments. The absence of case law addressing the issue of "tokenism" as a cognizable failure of governance prevents the courts from recognizing situations in which there are substantial violations of compliance regarding substance over appearance in the Nifty 50 disclosures.¹⁷

Critical Mass Doctrine Application

The 40 percent quota of Norway combined with balance mandates outlined in the EU Directive 2026/2381, establishes critical mass thresholds, that are missing under India's singular mandate. According to EnPress academic literature, three-member independent women's board member positions allow for assertive participation, while co-optation occurs through the appointment of only one independent female. Therefore, the one-woman rule in India does not meet the substantive equality standards developed through comparative jurisprudence resulting in a society of tokenism.

The required legislative change of a minimum of two independent female directors on the boards of the 100 largest listed corporations is the doctrinal resolution to the foregoing. In order to effectuate the principle of critical mass, the imposition of quotas for the chairs of the committees and the requirement to disclose dissent will provide the linkage needed to convert simple numerical compliance into improved governance.¹⁸

6.3 Synthesis: Research Problem Resolution upon the Thematic Data Analysis and Legal Interpretation

This study synthesizes doctrinal analysis, thematic findings, and comparative jurisprudence to determine whether or not SEBI LODR mandates provide effective governance through independent women directors or simply serve as token compliance. By utilizing a multi-method approach that incorporates Nifty 50 board disclosures, statutory interpretation, and court precedents, we can definitively arrive at answers to all four of the research questions while also creating a doctrinal roadmap that goes beyond numerical quotas.¹⁹

¹⁷ Institute of Company Secretaries of India, *Independent Directors: Role and Responsibilities*, <https://www.icsi.edu/media/webmodules/CSJ/April-2025/21.pdf>.

¹⁸ Oxford Human Rights Hub, *India's One-Woman Quota on Board of Directors Fails to Bring About Gender Equality*, <https://ohrh.law.ox.ac.uk/indias-one-woman-quota-on-board-of-directors-fails-to-bring-about-gender-equality/>.

¹⁹ Khaitan and Company, Aon, and Ladies Who Lead, *Presence to Influence: Advancing Women in Indian Boardrooms*, <https://www.khaitanco.com/pdf/Presence-to-Influence-Women-in-Indian-Boardrooms.pdf>.

RQ1: Does statutory language enable tokenism?

The examination of theme-based results validates LODR Clause 17's ambiguity provides perfect opportunities for tokenistic representation. The clause stating at least one woman member of the Board of Directors, can be satisfied by an individual promoting (a family member) and is counted towards the independent director criteria even though their existence is also used to maintain loyalty by creating shared or related relationships thus reducing the ability to monitor effectively.²⁰

A doctrinal analysis of the legislative intent behind the 2013 amendments shows an effort to encourage deliberation in the aftermath of the Satyam scandal. In contrast, the amendments made in 2020 gave priority to numerical compliance over performance criteria.²¹ A harmonious construction of the law reveals an irreconcilable tension between formal compliance at 95 percent and substantive failure of 62 percent in the disclosures made by companies listed on the Nifty 50 benchmark index.²² As an example, family-owned/manufacturing companies have 72 percent of their equity held by promoters and do not document dissent; IT services companies have 28 percent of their board members as independent women directors and achieve that through market discipline.²³

Skills matrix disclosures mandated by LODR Schedule II employ vague descriptors obscuring competence assessment, enabling sophisticated promoter-relative arrangements.²⁴ This statutory design flaw transforms transformative governance intent into compliance checkboxes, confirming RQ1 affirmatively.

RQ2: What judicial interpretations limit independent women director efficacy?

The judicial reluctance distorts statutory deficiencies. NCLT and SAT establish fiduciary breach use standards for director termination, but no precedent exists as far as structural tokenism goes, even though they obviously violate the compliance-over-substance principle.²⁵

²⁰ Pankaj Chhuttani and Riya Khurana, *From Tokenism-Driven Compliance to Value-Driven Governance: The Need for Gender Diversity in Indian Corporates*, Anusandhanvallari, Vol. 2024, No. 1, p. 1795, <https://psvmkendra.com/index.php/journal/article/download/868/711/1676>.

²¹ O.P. Jindal Global University, *Effectiveness of the One-Woman Board Member Mandate under the Companies Act 2013*, <https://pure.jgu.edu.in/id/eprint/5855/1/Effectiveness%20of%20the%20One-Woman%20Board%20Member%20Mandate%20under%20the%20Companies%20Act%202013.pdf>.

²² Indian Institute of Management Ahmedabad and Federation of Indian Chambers of Commerce and Industry, *Women on Boards in India: Number, Composition, Experiences and Inclusion of Women Directors*, https://www.primeinfobase.com/indianboards/files/IIM_Ahmedabad_FICCI_PRIME_WOB_report.pdf.

²³ Indira Gandhi Institute of Development Research, *Working Paper No. WP-2023-016*, <http://www.igidr.ac.in/pdf/publication/WP-2023-016.pdf>.

²⁴ Institute of Company Secretaries of India, *Independent Directors: Role and Responsibilities*, <https://www.icsi.edu/media/webmodules/CSJ/April-2025/21.pdf>.

²⁵ Independent Directors Databank, *Women Directors Lacking Substantive Roles in India's Boardroom*,

Article 226 mandamus application in the public interest regarding commercial transactions involves overcoming significant thresholds; however, SEBI adjudications focus on the egregiousness of individual acts, rather than on the systemic patterns of behavior.²⁶ No reported precedents recognize solo women director isolation as cognizable governance failure despite 62 percent prevalence across Nifty 50 firms.²⁷ Section 149(12) liability amendment creates a risk for isolated directors without access to information required for due diligence. Board evaluation disclosures are not substantively equal since they do not include contributions made by gender groups.²⁸

Shareholder derivative actions remain theoretically viable but practically constrained by commercial judgment deference and continuous ownership requirements. This judicial non-intervention perpetuates statutory evasion, answering RQ2 conclusively.

RQ3: Do board practices contradict mandate legislative intent?

A thematic analysis indicates that there is a systematic inconsistency between the practice of boards and the diversity deliberation objectives of SEBI; however, TCS, the highest performing company, has three independent female directors as chairs of the audit and ESG committees, and both boards use skill matrices and have documented dissent notes, resulting in meaningful monitoring through an independent chair.²⁹

Conversely, PSU oil majors maintain single token appointments averaging 4.2-year tenures without committee leadership, serving regulatory checkboxes absent strategic influence Prime Infobase-IIM Report. Sectoral disparities validate market discipline theory. IT/services firms achieve 28 percent women independent directors because market pressures demand substantive diversity.³⁰

Manufacturing firms achieve only 12 percent women independent directors because promoter dominance enables evasion.³¹ PSUs achieve just 8 percent women independent directors

<https://www.independentdirectorsdatabank.in/newsletter/2025/11/4/1432>.

²⁶ Cyril Amarchand Mangaldas, *Securities and Exchange Board of India Take on Independent Directors: On Paper or in Fact?*, <https://corporate.cyrilamarchandblogs.com/2025/07/sebis-take-on-independent-directors-on-paper-or-in-fact/>.

²⁷ Taxmann, *Effectiveness of Independent Directors in Corporate Governance*, <https://www.taxmann.com/post/blog/effectiveness-of-independent-directors-in-corporate-governance>.

²⁸ Russell Reynolds Associates, *Deciphering the Indian Boardroom: 2025 India Board Analytics & Insights*, <https://www.russellreynolds.com/en/insights/articles/2025-india-board-analytics-insights>.

²⁹ National Stock Exchange of India Limited, *Board Composition Report*, https://nsearchives.nseindia.com/web/sites/default/files/inline-files/Board_Composition_Report.pdf.

³⁰ Manisha Deep, *Women Independent Directors in India*, <https://www.linkedin.com/pulse/women-independent-directors-india-manisha-deep-flshc>.

³¹ Naaraayanan and Nielsen, *Winds of Change: Gender Quota on Boards in the Face of Patriarchy*,

because compliance culture prioritizes quotas over contribution.³² Board minutes reveal zero dissent documentation across token appointments despite related party transaction scrutiny requirements. Committee exclusion rates reach 86 percent for solo women directors, preventing fulfillment of Section 149(7) independent judgment obligations.³³ These practices transform legislative purpose into symbolic checkboxes, confirming RQ3 unequivocally.

RQ4: What doctrinal reforms ensure substantive independent women director roles?

Critical mass doctrine provides a definitive solution. Norway's 40 percent quota and EU Directive 2026/2381 establish three-member thresholds enabling assertive participation while single appointments invite co-optation.³⁴ Nifty 50 patterns confirm this threshold: firms with 3+ independent women directors demonstrate committee leadership and dissent documentation absent in token cases.³⁵

Doctrinal Reform Framework

1. LODR Clause 17 Amendment requires top 100 listed companies to appoint minimum two independent women directors.³⁶
2. Section 149(6A) Skills Certification mandates competency verification through IICA databank ICSI CSJ Framework.
3. Committee Chair Quotas reserve 30% audit/risk committee chairs for independent women directors Russell Reynolds Analytics.
4. Dissent Disclosure Mandate requires gender-disaggregated board evaluation with dissent documentation Khaitan & Co.
5. Promoter-Relative Prohibition establishes explicit pecuniary relationship exclusions PSVMKendra Tokenism.

https://nsearchives.nseindia.com/s3fs-public/inline-files/Gender_Quota_on_Boards_in_the_face_of_Patriarchy_NaraayananNielsen.pdf.

³² Business Standard, *Mid-term Exits by Independent Directors at Highest Level Since 2017*, https://www.business-standard.com/industry/news/mid-term-exits-by-independent-directors-at-highest-level-since-2017-125122600011_1.html.

³³ TaxGuru, *Women in Leadership: Tokenism or Real Change?*, <https://taxguru.in/corporate-law/women-leadership-tokenism-creal-change.html>.

³⁴ Oxford Human Rights Hub, *India's One-Woman Quota on Board of Directors Fails to Bring About Gender Equality*, <https://ohrh.law.ox.ac.uk/indias-one-woman-quota-on-board-of-directors-fails-to-bring-about-gender-equality/>.

³⁵ Seema Narayan and Shivangi Narayan, *Women Directors and Corporate Governance: Evidence from India*, https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4231929.

³⁶ Directors Institute, *Diversity Among Independent Directors: The Importance and Benefits of Diversity in This Role*, <https://www.directors-institute.com/post/diversity-among-independent-directors-the-importance-and-benefits-of-diversity-in-this-role>.

Integrated Findings: The Tokenism-Governance Continuum

The results of combining many methods demonstrate a continuum from tokenism through substantive governance. Tokenism is seen in the status of women directors who are the "only female on a board" to not having peers to deliberate together. Tokenism is continued by having 0% committee chairs for women (86% of women hold solo positions). The failure to document dissent is used as an example of continuing tokenism despite requiring support for documentation in relation to related party transactions. The final example of tokenism is a descriptive skills matrix that prevents accurate assessments of actual competencies. The pinnacle of tokenism is when 15% of appointments are made relative to promoters (whether or not they are the "only female on a board") that compromise the legislatively required independence from the promoter.

Substantive governance develops only when there is a sufficient quantity of (3 or more) independent women serving as chairs of committees. Substantive governance requires the preparation of written records of dissent to document material decisions, especially related party transactions. Substantive governance also requires the development of granular skill matrices to define financial, technological and sustainability competencies.

Substantive governance is facilitated through the imposition of market discipline, especially within information technology and service industries.

“Validated Causal Pathway”: Due to statutory ambiguity promoters are able to evade their obligations to provide fiduciary duty and this creates structural isolation which causes fiduciary to fail in terms of governance. In the case of technology companies, an imposition of market discipline interrupts this causal chain; whereas the concentration of ownership perpetuates an environment of tokenism for manufacturing businesses and Public Sector Units.

7. POLICY & DOCTRINAL REFORMS

7.1 Legislative Amendments

Doctrinal imperatives demand comprehensive statutory overhaul establishing critical mass as cornerstone of independent women director efficacy. LODR Clause 17 requires precise amendment: “top 100 listed companies shall appoint minimum two independent women directors possessing distinct competencies in finance, technology, sustainability governance, or risk management, verified through IICA certification”.³⁷ Section 149(6A) introduces

³⁷ O.P. Jindal Global University, *Effectiveness of the One-Woman Board Member Mandate under the Companies Act 2013*, <https://pure.jgu.edu.in/id/eprint/5855/1/Effectiveness%20of%20the%20One-Woman%20Board%20Member%20Mandate%20under%20the%20Companies%20Act%202013.pdf>

mandatory skills matrix granularity prohibiting vague descriptors that currently obscure competence assessment, mandating third-party validation through national director databank. A statutory requirement for annual disclosure of dissent now requires a gender disaggregation of board evaluation reports to disclose, in those certain reports, the independent women director's position (if any) in relation to related party transactions, executive compensation, and ESG strategy. Promoter-relative board member appointments will be prohibited by definition of any materially pecuniary relationship between the related party and the promoter, regardless of any technical compliance loopholes in the law. These amendments will transform the numerical quotas of directors into performance-based governance measures, by the end of 2028, thus realizing a legislative vision of the 2013 at the end of 2028.³⁸

7.2 Regulatory Interventions

SEBI must pioneer committee chair quotas reserving 30 percent audit, risk, and stakeholder committee leadership for independent women directors, guaranteeing substantive influence beyond token presence. MCA circulars integrate independent women director databank with mandatory performance tracking, linking certification renewal to committee assignments, dissent documentation, and board evaluation outcomes.³⁹ Stock exchanges incorporate standardized forms for evaluating boards that include tokenism measures, such as the prevalence of solo status, percentages of committee exclusions, absence of dissent, and specificity of skills matrix. SEBI adjudication will also cover structural governance failure; therefore, all director appointments classified as a promoter-relative appointment are automatically classified as a disqualification from independence, and all directors that have been classified as such will be removed with mandatory removal protocols.⁴⁰ Quarterly compliance dashboards track critical mass achievement across top 200 firms, publicly exposing persistent evasion patterns to institutional investor scrutiny.

7.3 Judicial Doctrines Development

NCLT jurisdiction expansion proves essential, recognizing tokenism as cognizable corporate

³⁸ Pankaj Chhuttani and Riya Khurana, *From Tokenism-Driven Compliance to Value-Driven Governance: The Need for Gender Diversity in Indian Corporates*, Anusandhanvallari, Vol. 2024, No. 1, p. 1795, <https://psvmkendra.com/index.php/journal/article/download/868/711/1676>.

³⁹ Independent Directors Databank, *Women Directors Lacking Substantive Roles in India's Boardroom*, <https://www.independentdirectorsdatabank.in/newsletter/2025/11/4/1432>.

⁴⁰ Cyril Amarchand Mangaldas, *Securities and Exchange Board of India Take on Independent Directors: On Paper or in Fact?*, <https://corporate.cyrilamarchandblogs.com/2025/07/sebis-take-on-independent-directors-on-paper-or-in-fact/>.

law violation through substantive equality jurisprudence under Article 14. Courts must establish critical mass doctrine as binding precedent, mandating minimum three-member thresholds for effective boardroom monitoring absent co-optation risks. SAT adjudication develops tokenism recognition standards treating solo isolation as structural governance defect warranting intervention beyond individual misconduct claims.

7.4 Phased Implementation Framework

Phase I - Foundation Stage (2027)^{[1][SEP]} Stakeholder submissions received during SEBI consultation process to include ICAI, FICCI, and institutional investors. National Pillot for IWD skills certification will also be launched in 50 Nifty stocks by MCA. BSE/NSE has created board evaluation templates to track tokenism metrics that have been established.

Phase II: Statutory Operationalization (2028)^{[1][SEP]} LODR Clause 17 mandates two independent women directors for top 100 companies with skills verification requirements. Schedule II enforces granular disclosures including dissent documentation and committee contribution metrics. SEBI establishes dedicated tokenism adjudication division.

Phase III: Judicial Precedent Establishment (2029)^{[1][SEP]} NCLT test cases establish critical mass doctrine under Article 14 substantive equality. SAT precedents classify promoter-relative appointments as independence disqualification. Quarterly SEBI compliance reports benchmark reform efficacy.

Phase IV: Institutional Maturity (2030+)^{[1][SEP]} IICA databank achieves full performance integration with certification renewal. Annual tokenism benchmarking positions India alongside EU/Norway standards. Judicial doctrines solidify through settled precedent.⁴¹ This roadmap transforms 22 percent numerical achievement into substantive governance renaissance.

8. CONCLUSION

A recent doctrinal investigation revealed a contradiction regarding corporate governance in India. For example, the SEBI LODR requires a minimum of 22% independent women directors on the boards of the Nifty 50 companies. At the same time, the system is designed to create a situation in which there is widespread tokenism, causing the independent women directors' statutory monitoring duty to be neutralised. Thematic analysis of 300 reviewed disclosures

⁴¹ Indian Institute of Management Ahmedabad and Federation of Indian Chambers of Commerce and Industry, *Women on Boards in India: Number, Composition, Experiences and Inclusion of Women Directors*, https://www.primeinfobase.com/indianboards/files/IIM_Ahmedabad_FICCI_PRIME_WOB_report.pdf.

found that an overwhelming number of independent women directors experienced solo isolation (62%), were not allowed to participate in any committees (86%), and had no documentation of dissent (i.e., compliance was valued more than actual contribution).

Statutory ambiguities enable 15 percent promoter-relative evasion while judicial reticence prevents doctrinal evolution. Critical mass emerges as definitive solution: TCS success with three committee-leading independent women directors contrasts starkly against PSU token failures.

The rules of the five-pillar framework require that LODR Clause 17 is changed. This change means that companies must have least two women directors who are not connected to the company. The women directors must also have the skills and qualifications. There are rules about how many people can be on committees and how disagreements are made public. Additionally there are rules about people who're related to the owners of the company. These changes will be put in place slowly from 2027 to 2030. This will put India on the level as Norway and the European Union. It will also help to deal with the problem of owners having much control, which is common in family businesses. The five-pillar framework is important, for LODR Clause 17. It will help to make sure that companies are run in a fair way. LODR Clause 17 is a part of the five-pillar framework. The future of scholarships needs to look at how the courts enforce the law after it has been changed. It should also look at how women who are directors do their jobs over time and compare this to what other countries are doing. We need to make sure we are meeting the standards that are expected around the world.

This study is important because it is the one to really look at the difference between just having women as directors to make it look good and actually making sure everyone is treated fairly. It helps us understand how to make sure companies are run in a way by looking at what happens when there are enough women, in charge to make a difference. Future scholarship must track judicial enforcement postreform and longitudinal independent women director performance metrics and it must do international benchmarking against evolving global standards. As Simone de Beauvoir profoundly observed, *“One is not born, but rather becomes, a woman.”* India’s corporate boardrooms must now ensure independent women directors not merely occupy seats, but truly become governance architects.