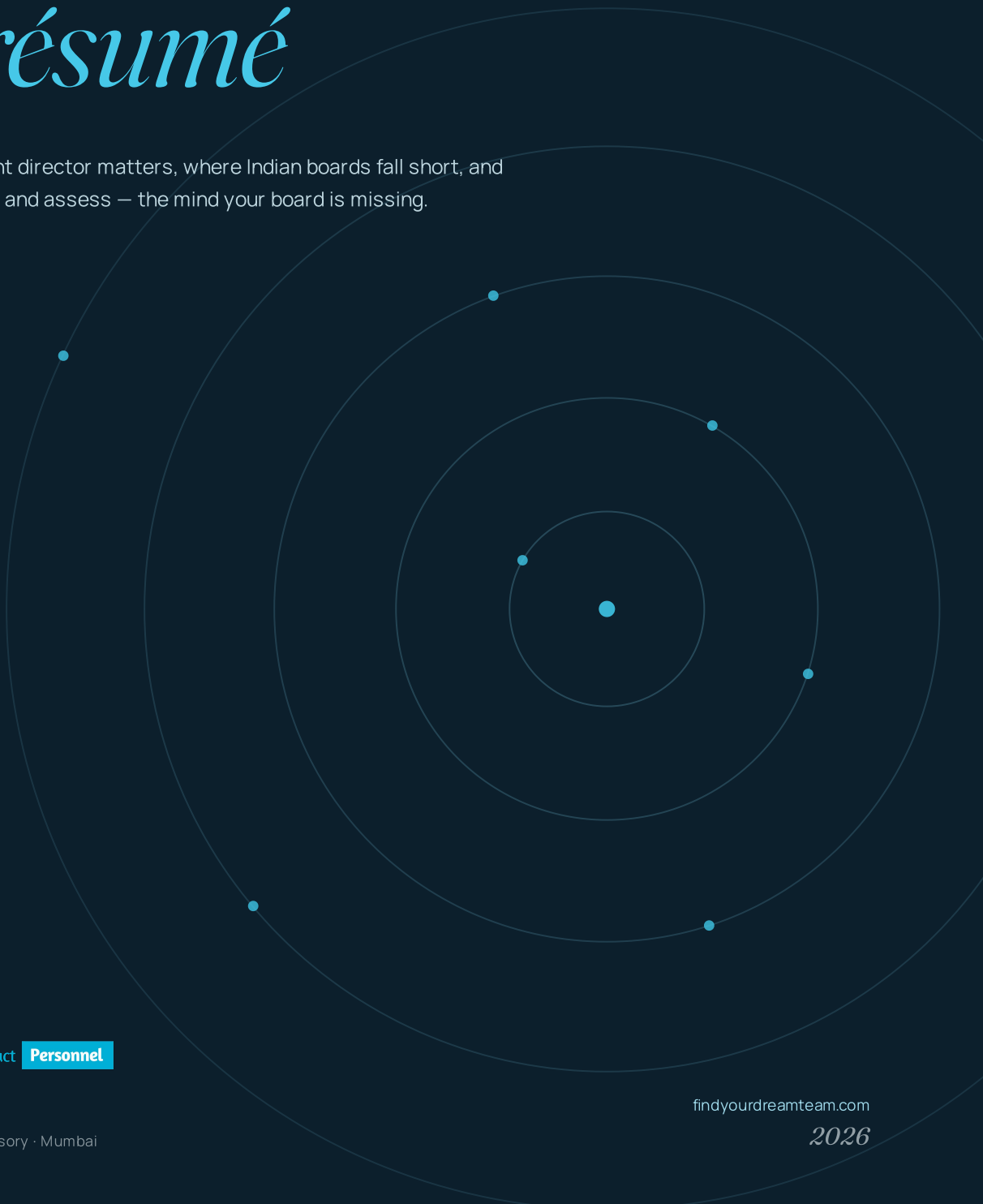


A FACT PERSONNEL PERSPECTIVE ON GOVERNANCE

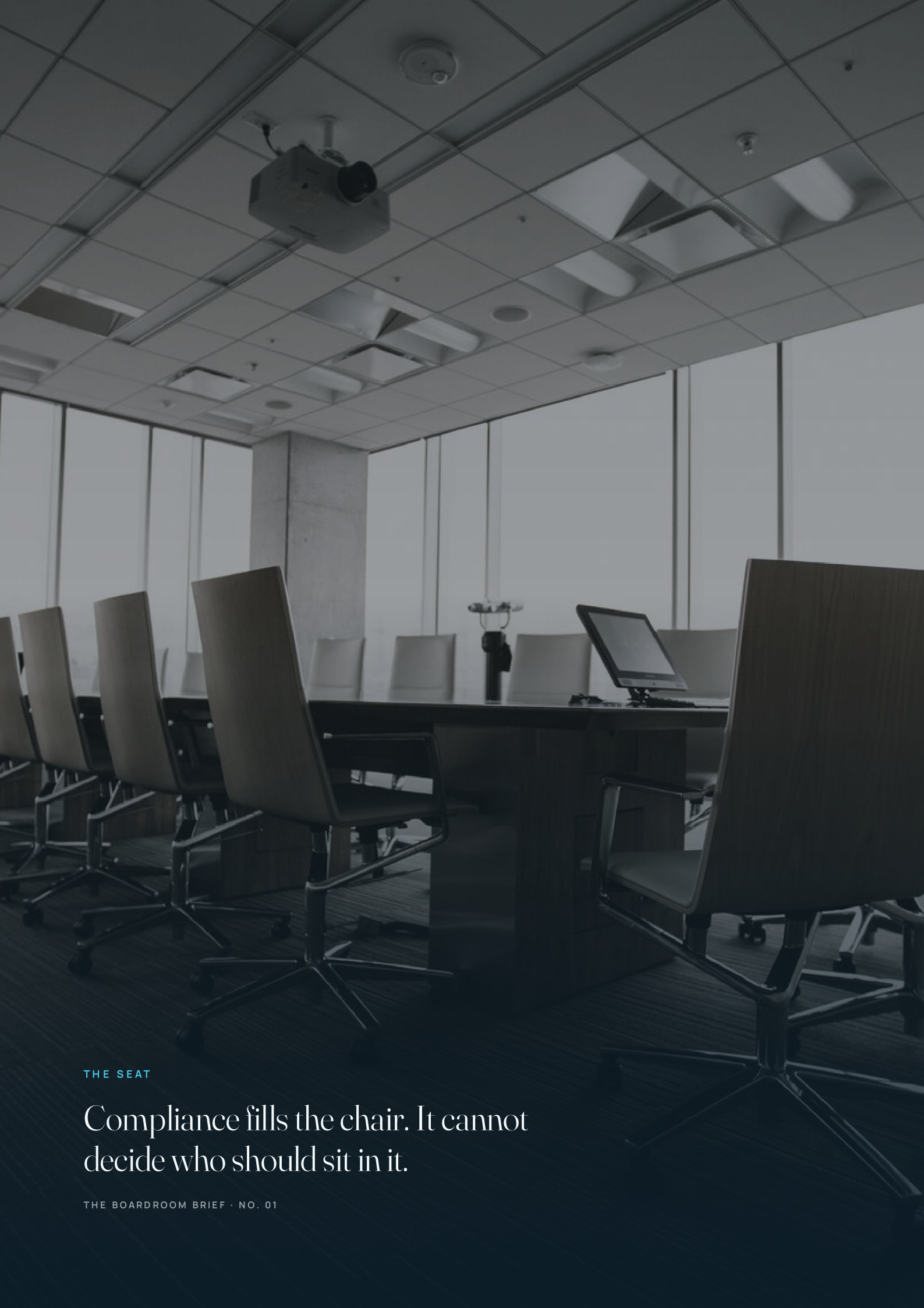
Beyond *the résumé*

Why the independent director matters, where Indian boards fall short, and how to search for – and assess – the mind your board is missing.



Find your
**DREAM
TEAM**
with us.

Fact **Personnel**



THE SEAT

Compliance fills the chair. It cannot
decide who should sit in it.

ABOUT THIS SERIES

A periodic perspective on boards, directors, and the *practice of governance*.

The Boardroom Brief is Fact Personnel's standing commentary on the people who govern Indian companies — written for those who build boards and those who sit on them. Each issue takes a single question of governance and examines it the way we examine a search: from the inside, with a bias toward what actually works rather than what merely satisfies.

We write it because the most consequential decisions a company makes about its governance are, at root, decisions about people — who sits in which seat, what they are asked to do there, and whether the room lets them do it. Those are our questions. The regulatory frame is the backdrop; the human judgement is the subject.

This first issue takes up the most over-regulated and under-discussed seat in the Indian boardroom — the independent director — and asks a question the rulebook never answers: once the box is ticked, who do you actually need in that chair, and how do you find and assess them?

Each issue is short by design. We would rather make one argument well — with the evidence and the practical implication — than survey everything and settle nothing. If a piece changes how a single board approaches a single appointment, it has done its job.

Each issue is shaped by what we do for a living. We are a search firm — not a law firm or an auditor — so our interest is not in whether a board is technically compliant but in whether it actually works: whether the right people sit in the right seats, briefed and trusted enough to use their judgement. That is a narrower question than governance in general, and a far more practical one.

We have tried to write the kind of brief we would want to read: short on platitudes, specific about what genuinely changes a board, and honest about the distance between what the rules require and what good governance demands. Where we make a claim about the law we footnote it to the primary source; where we offer a view, we mark it plainly as ours.

Governance is, in the end, a series of decisions about people — who sits in each seat, and whether the room lets them think.

WRITTEN FOR

Chairpersons and promoters building or refreshing a board; independent and non-executive directors, sitting and aspiring; and the CEOs and CHROs who work most closely with the board.

IN THIS ISSUE

Why the seat matters; the capability gaps most boards carry; how to identify the real gap and search beyond the address book; what to assess in a candidate; and a brief tour of the sector lens.

THE SERIES AHEAD

Subsequent issues take the eight sectors we recruit for in turn — the specific risks each board faces, and the kind of director it should search for.

A Fact Personnel perspective, prepared independently and offered for general information. It reflects our considered view as a leadership search and advisory firm and is not legal, regulatory, or governance advice; regulatory references are summarised and current as of preparation. © 2026 Fact Personnel. [Find Your Dream Team With Us.](#)

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TEN EXHIBITS

Maturity ladders, skills matrices, a search-process flow, a candidate radar and a sector map accompany the argument throughout.

SOURCES & NOTES

Every regulatory statement is footnoted to the primary law and listed in full on the closing Sources page.

EXECUTIVE SUMMARY

India has built a machine for independence. The harder task is finding directors who *contribute.*

India has assembled one of the world's more prescriptive frameworks for independent directors – and it was a necessary response to real failures. But every requirement it imposes describes a floor. The qualities that make the seat valuable – judgement, the willingness to ask the unwelcome question, stewardship of value that outlasts the current management – are not things a certificate can confer.

Asked to fill the seat, most boards reach for a familiar type: the retired chief executive, the senior chartered accountant, the name that reassures. The result is boards that look complete on paper and quietly share the same blind spots in the room – short on the very capabilities a modern board most needs, from cyber and data to genuine sector depth.

This is not a failure of effort or integrity. It is a failure of method: boards recruit the way they always have – from memory and acquaintance – for a role whose entire value depends on bringing in what memory and acquaintance cannot. The remedy is not another rule. It is a different way of choosing.

This issue is about closing that gap on purpose. It sets out **why the seat matters** and the floor India has built (Section 01), the **capabilities most boards are missing** (02), how to

identify the real gap with a skills matrix and **search beyond the address book** (03), and **what to assess** in a candidate once you find them (04).

The sector lens that should shape every such search is previewed at the close – and taken up, room by room, in the issues that follow. Throughout, the throughline is simple: effectiveness is decided long before any meeting, in whether a board recruits against a real gap or a familiar face.

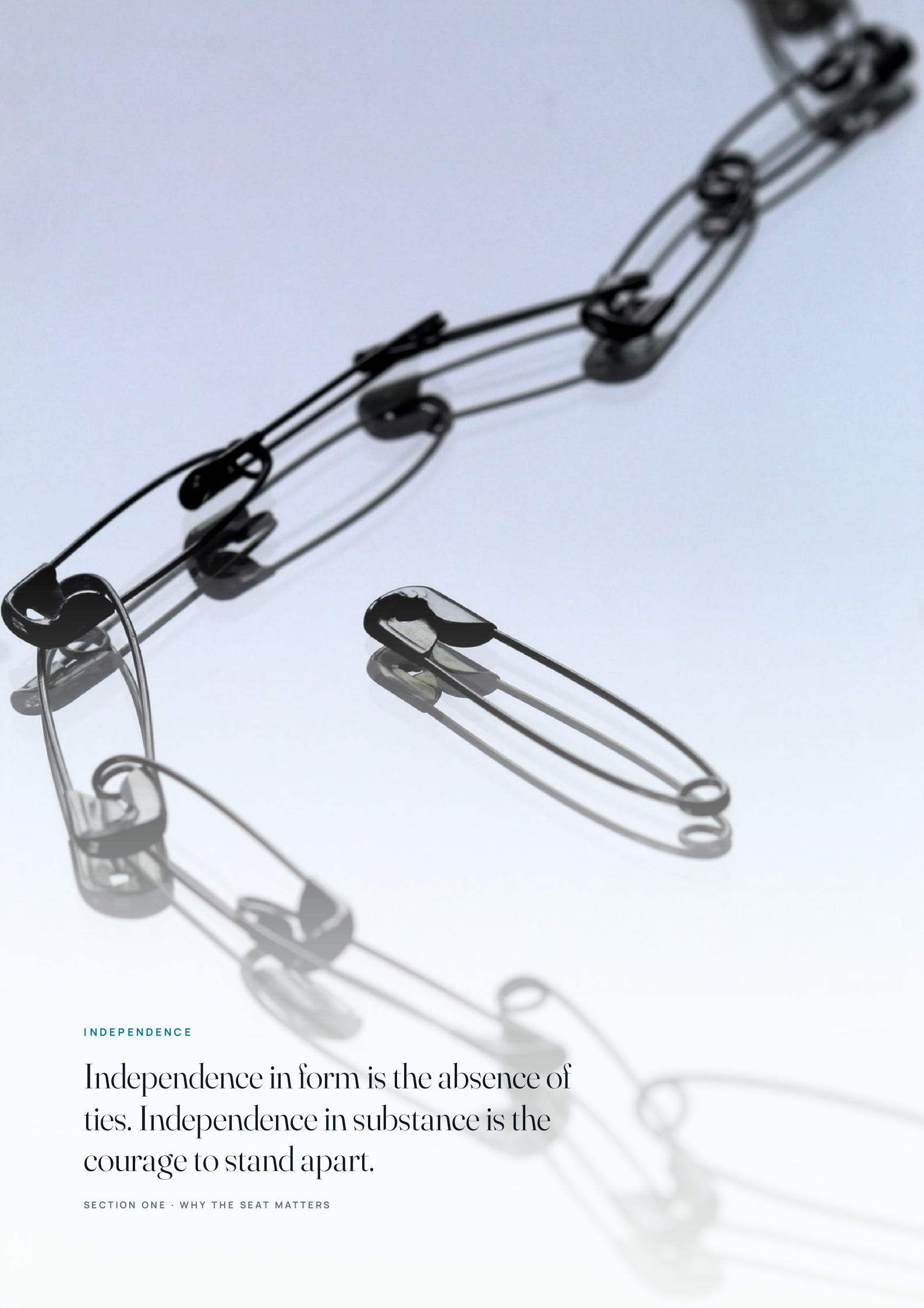
And it matters because the cost of the comfortable choice stays invisible until it is not. The board that never asked the hard question looks identical to the one that did – right up to the moment a risk it could not see arrives, and the post-mortem describes a board that was fully compliant and wholly unprepared.

Our argument, in one line: a great independent director is not a compliance artefact but a deliberately chosen, well-briefed, genuinely free mind – selected for a specific gap. Assembling that board is search work, not box-ticking.

What follows is not a compliance manual; those exist in abundance. It is a hiring argument – a case that the quality of a board is decided less in the meeting room than in the choices made long before it, about who is invited into the room at all.

01 Why the seat matters	02 The gaps in the boardroom	03 Searching for the missing mind	04 What to assess	05 Eight rooms, one seat
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“Compliance can confirm that a seat is filled correctly. It was never built to detect whether the seat is working.”



INDEPENDENCE

Independence in form is the absence of ties. Independence in substance is the courage to stand apart.

A decorative graphic consisting of several concentric circles of varying diameters, centered on the page. Small, light blue dots are placed at various points along these circles, creating a sense of movement or a path. The circles and dots are rendered in a light blue color against the dark blue background.

01

Why the *seat matters*

SECTION ONE

The independent director was defined, understandably, by what they must *not* be — not related to the promoter, not pecuniarily entangled, not too long in the seat. Independence became a matter of absence.

But a board is not made safer by a director who is merely unconflicted and quiet. The harder, more useful question is what an independent mind is *for* — and why so many compliant boards still fail when it counts.

1.1 – WHAT THE SEAT IS ACTUALLY FOR

Four jobs no executive, however able, is positioned to *do*.

Strip away the compliance language and an independent director exists to do four things the executive team structurally cannot. The first is to bring **independent judgement** – a view formed outside the gravitational pull of management and the promoter. The second is **constructive challenge**: the well-judged question that makes a confident management pause – *how would we know if this strategy were failing? whose numbers are these? what are we not discussing?* The third is to **protect those not in the room**: minority shareholders, but also employees, lenders, and the future shareholders who inherit today's decisions. The fourth is to **steward value over time**, against a horizon that rarely fits inside a management tenure.

Notice what unites the four: each is a matter of conduct, not credentials. A director can possess every qualification on paper and perform none of them in the room. This is precisely why independence in *form* – the absence of disqualifying ties – and independence in *substance* – the presence of independent action – are different things, and why a board can be full of the first and starved of the second.

Seen this way, the four jobs are really one job pointing four ways: to hold the company to a standard no one inside it is positioned to hold it to. That is why the seat cannot be filled by seniority alone – and why the real question is not whether a candidate is qualified, but whether they will do these four things when it is uncomfortable to.

Independence in form is a fact about a person's relationships. Independence in substance is a fact about their conduct in the room.

EXHIBIT 01

FACT PERSONNEL

Four jobs the rulebook assumes but never assigns

JUDGEMENT

Independent judgement *i*

A view formed outside the gravitational pull of management and the promoter – informed by the company, unattached to its politics.

CHALLENGE

Constructive challenge *ii*

The well-judged question that makes a confident management pause: how would we know if this strategy were failing?

PROTECTION

Protect the absent *iii*

Minority shareholders – but also employees, lenders, and the future shareholders who inherit today's choices.

STEWARDSHIP

Steward value *iv*

Hold the long view against value quietly traded away for this year's number, and be ready for the crisis.

ALL FOUR ARE CONDUCT – AND CONDUCT IS WHAT THE RULES CANNOT REACH

Independence in **form** – the rules can deliver this 96%

Independence in **substance** – only conduct delivers this 43%

The distance between the two bars is the work of this issue.

Each is a matter of conduct, not credentials. A director can hold every qualification and perform none of these – which is why the right appointment is a search problem, not a paperwork one. Illustrative.

1.2 – COMPLIANT IS A FLOOR, NOT A DESTINATION

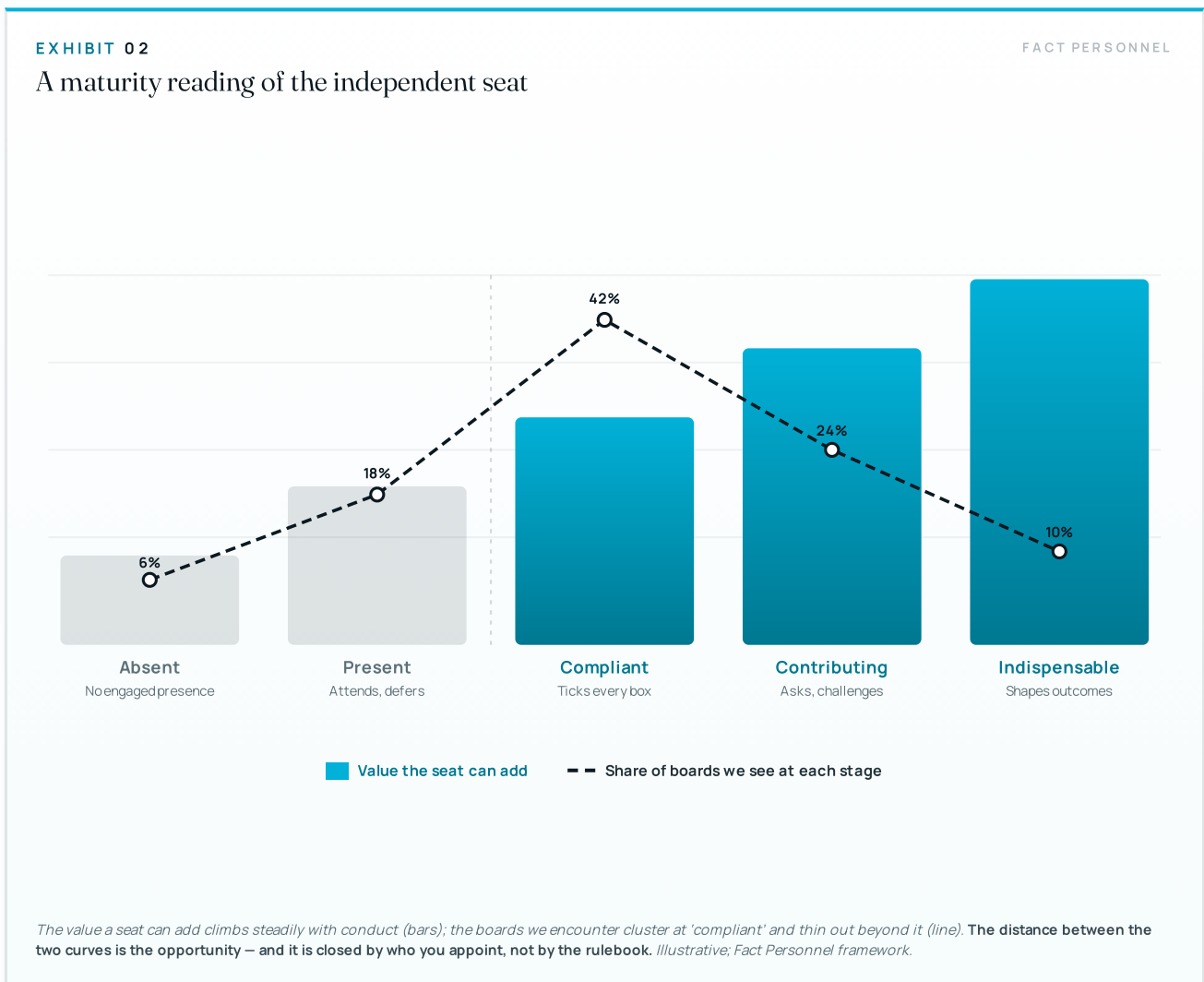
The more elaborate the regime, the easier it is to mistake it for the *result*.

The modern independent director is, in large part, a creature of scandal – each wave of reform answering a breach of trust by adding a control. That instinct is sound, and the safeguards matter. But a role defined by what a person must *avoid* tends to reward presence over participation, and to attract people who are good at avoiding. The result is a category of director we have all met: impeccably qualified, entirely independent, and functionally absent.

Nothing in the compliance framework catches this, because nothing in it was designed to. A board can point to its independent majority, its qualified audit committee, its evaluation scores and its databank certificates – and still be a board where no one says the difficult thing in the room where it matters. Compliance is the price of admission to the conversation. It is not the conversation.

Why does this matter for hiring? Because if effectiveness cannot be regulated into the seat, it has to be **recruited** into it. The maturity reading below makes the point: regulation reliably carries a director to 'compliant' and stops there. Everything beyond is conduct – and conduct is chosen, at the point of appointment.

This is the quiet trap of a maturing regime. The more boxes there are to tick, the more a board can mistake a full checklist for a working board – and the easier it becomes to appoint for compliance and call it governance. The chart below is a reminder of how far up the slope the rulebook actually carries you.

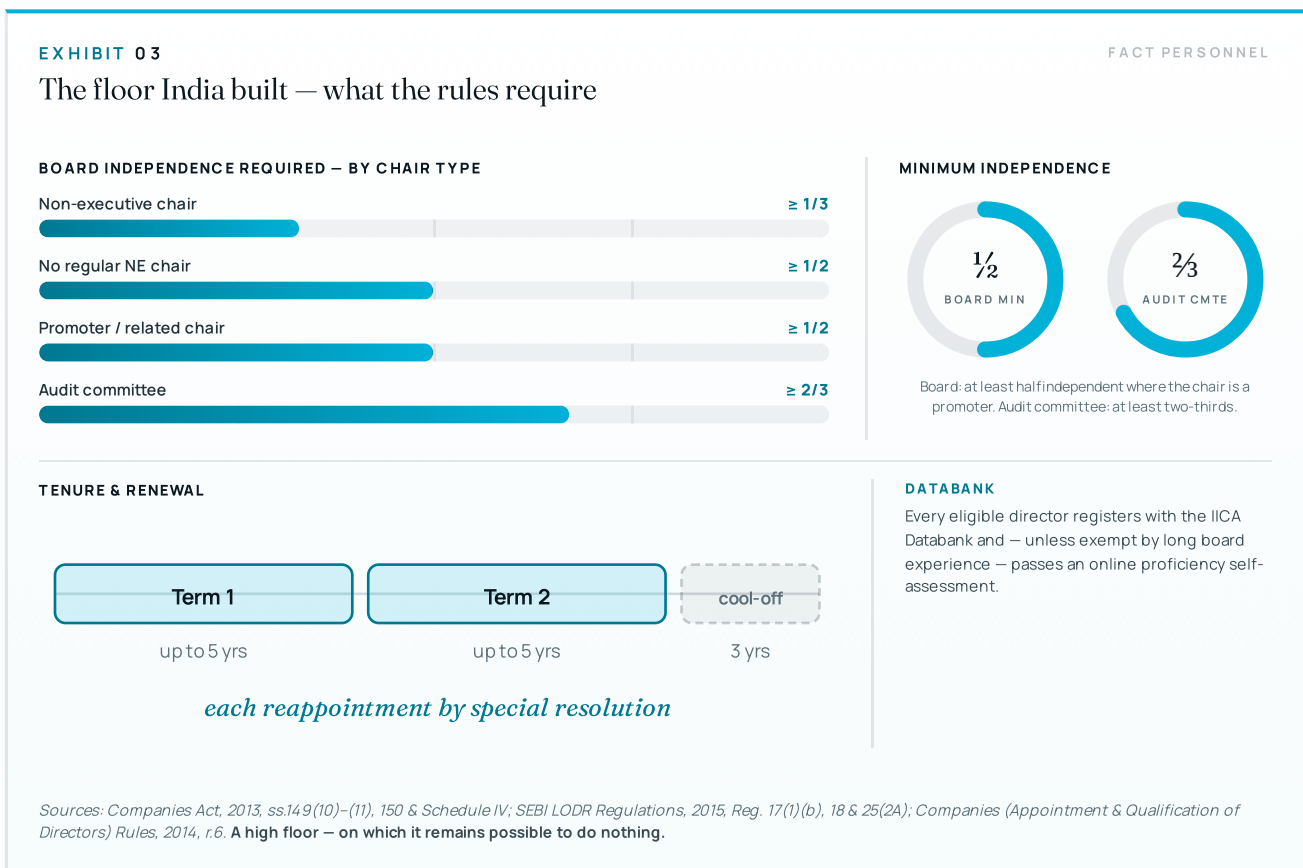


1.3 – THE INDIAN FRAME

A strong rulebook, meeting a *promoter's* company.

India's independent-director regime is, on paper, among the more demanding in the world. The Companies Act, 2013 defines who qualifies as independent in close detail¹ and limits service to two consecutive terms of five years, with a three-year cooling-off before any return.² Schedule IV writes the director's duties into a formal code, including a mandatory separate meeting of the independent directors.³ SEBI's listing rules fix board composition⁴ and place the audit committee – two-thirds independent and independently chaired – at the centre of oversight.⁵ Appointment, re-appointment or removal is put to shareholders by special resolution, with a majority-of-minority safeguard.⁶ And every eligible director must register with the IICA Independent Directors Databank and, unless exempt by long board experience, pass an online proficiency self-assessment.⁷

It is a serious apparatus, and India deserves credit for building it. But a rule meets a reality, and the Indian reality is the promoter: most listed companies here sit within a controlling family or group, where the letter of independence can be satisfied while its spirit stays under quiet strain. The regime is a floor that has risen impressively – and a floor on which it is entirely possible to do nothing. It raises what a director must *know*, it cannot manufacture the judgement to *use* it.



For a board, the lesson is not to admire the floor but to build above it. The statutory minimums describe the least a board may do and still be compliant; they say nothing about the judgement the seat was created to supply – and that is a hiring question. A floor tells a board where it may not fall; it cannot tell it how high to build.

1 Companies Act, 2013, s.149(6).

2 *ibid.*, Schedule IV.

3 *ibid.*, Reg. 18; Companies Act, 2013, s.177.

4 Companies Act, 2013, s.150; Companies (Appointment & Qualification of Directors) Rules, 2014, r.6.

5 *ibid.*, s.149(10)–(11).

6 SEBI LODR Regulations, 2015, Reg. 17(1)(b).

7 SEBI LODR, Reg. 25(2A) (as amended, 2022).

The background features a series of concentric circles in a light teal color. Small teal dots are placed at various points along these circles, creating a starburst or orbital pattern. The number '02' is prominently displayed in a large, white, serif font. A teal diagonal line starts from the bottom left and passes through the '0'. Below the number, the text 'The gaps in *the boardroom*' is written in a smaller, teal, serif font, with 'the' and 'boardroom' in italics.

02

The gaps in *the boardroom*

SECTION TWO

The most expensive habit in Indian board-building is to recruit a *type* – the reassuring name – when the board should be recruiting against a *gap*.

A board assembled from the same few archetypes shares the same blind spots. This section names the capabilities the conventional shortlist is least likely to supply.

2.1 – THE FAMILIAR SHORTLIST

Recruit from the address book, and you recruit its *blind spots*.

The default Indian shortlist is narrow and familiar: the retired chief executive, the senior chartered accountant, the former banker, the name that reassures. Each can be excellent, and each earns a place for good reasons. But a board assembled from the same archetypes tends to share the same field of vision – strong where the board is already strong, blind where it is already blind. Diversity of background is not a slogan here; it is the mechanism by which a board sees more than any one of its members can.

The deeper problem is structural. To recruit from the chair's address book is to recruit from the chair's existing field of vision – and the capabilities a modern board most needs are precisely the ones that field of vision is least likely to contain.

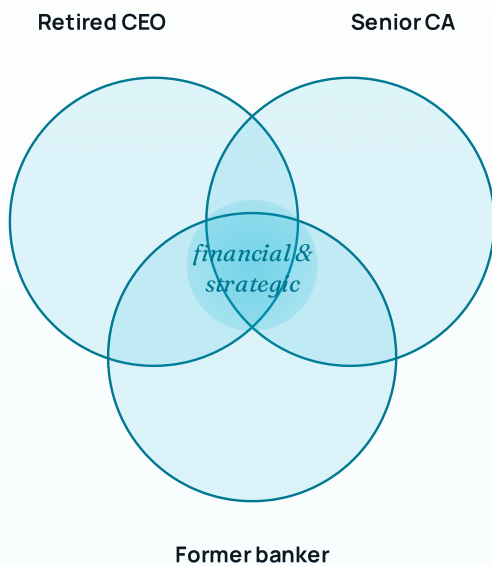
It is worth being precise about why this happens. Boards rarely choose badly out of laziness; they choose from trust, and trust is built on familiarity. But the capabilities a board is missing are, almost by definition, the ones it has had least occasion to grow familiar with – which is exactly why they slip through an informal search.

EXHIBIT 04

FACT PERSONNEL

The familiar shortlist overlaps – and leaves the same gaps

The three names a board reaches for first overlap heavily on financial and strategic ground – and leave the modern essentials thinly held or absent.



HOW WELL THE THREE ARCHETYPES COVER WHAT A BOARD NEEDS



THE BLIND SPOT Cyber & data and ESG – the two fastest-rising sources of board risk – are exactly where the familiar shortlist is weakest.

Three respected archetypes pile capability onto the same few areas (the overlap) and leave the modern essentials barely covered (the bars). Recruiting from the chair's address book means recruiting from the chair's field of vision. Illustrative.

THE FIX The remedy is not to abandon the trusted archetypes – each can be an asset – but to stop mistaking the shortlist for the search. A board that knows precisely what it is missing can hold its familiar names to a higher test, and go looking, deliberately, for the capability none of them brings.

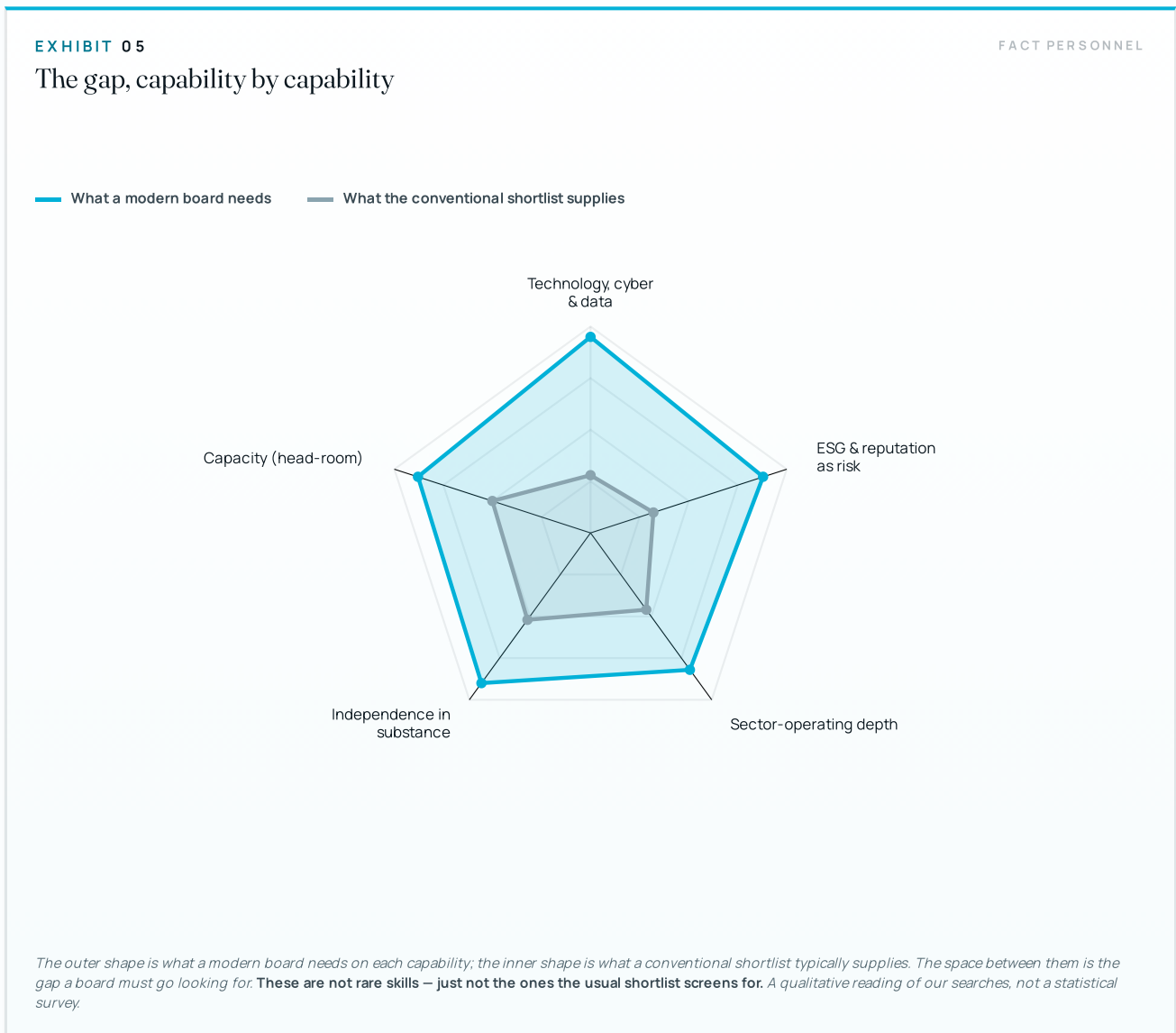
2.2 – THE GAPS THAT RECUR

Not exotic skills — simply not the ones the shortlist screens *for*.

Across the searches we run, the same capability gaps surface again and again. **Technology, cyber and data literacy**: a board cannot interrogate what it cannot follow, and a breach is now a board failure, not an IT one. **ESG and reputation** treated as financial risk — supply-chain, product safety, claims — rather than a reporting afterthought. Genuine **sector-operating depth**, as distinct from general seniority: the fluency to ask a real question about *this* business. And, least visible of all, **independence in substance** — the courage to dissent, not merely the absence of disqualifying ties.

None of these is rare in the wider talent market. They are simply not the attributes a conventional shortlist is built to screen for — which is why they have to be sought deliberately.

Naming them is not an academic exercise. A board that can describe its gap in a sentence can brief a search against it; a board that cannot will fill the seat with whoever is most reassuring, and rediscover the gap only when an event exposes it. The chart below is that sentence, drawn.



IN SHORT Naming the gap precisely is the first real act of the search. A board that can say, in a sentence, what it cannot currently see has done the hardest part — turning a vague sense of unease into a brief a search can actually act on.



THE SEARCH

What a board most needs is usually the
thing it cannot yet see.

SECTION THREE · SEARCHING FOR THE MISSING MIND

The page features a dark blue background with a series of concentric circles and small dots in a light blue color. A prominent white number '03' is centered in the upper half, with a light blue diagonal line striking through the '0'.

03

Searching for *the missing mind*

SECTION THREE

If effectiveness cannot be legislated, it must be *built* – and most of the building happens before a director ever takes their seat.

Two instruments do the work: an honest skills matrix that names the gap, and a search disciplined enough to look for it beyond the obvious names.

3.1 – RECRUIT AGAINST THE GAP, NOT THE RÉSUMÉ

The skills matrix is the board’s most powerful, most underused *instrument*.

An honest skills matrix maps the capabilities the business will need over the next five years against what the board actually holds today. Used seriously, it converts recruitment from “who do we know and trust?” to “what can this board not currently see, and who can see it?” Build it in three moves: list the capabilities the **strategy** demands – not the ones you happen to have; rate each sitting director honestly – held, thin, or absent; then read the empty columns. Those columns are your search brief, and it is here that the sector lens of Section 05 becomes a concrete hiring requirement.

Crucially, the matrix is a living document, not a one-off ritual. Re-run it whenever the strategy shifts – a new market, a digital pivot, a fresh category of risk – and the board’s composition keeps pace with the business rather than lagging a crisis behind it.

The discipline the matrix imposes is honesty about one’s own board. It is uncomfortable to mark a respected colleague ‘thin’ on a capability the business now depends on – but it is far less costly than discovering the gap in the middle of the crisis that needed it filled. The matrix simply moves that discovery forward, to a moment when the board can still act on it.

EXHIBIT 06 FACT PERSONNEL

A skills matrix turns a comfortable shortlist into an honest one

Read **down a column** for a single director; read **across a row** for the board as a whole. The columns that stay empty are the brief for the next search.

CAPABILITY NEEDED	EX-CEO	CA	BANKER	PROMOTER	COVERAGE	GAP
Financial oversight	●	●	●	◐	<div style="width: 80%; background-color: #0070C0; height: 10px;"></div>	–
Sector / operating depth	●	◐	◐	●	<div style="width: 85%; background-color: #0070C0; height: 10px;"></div>	–
Cyber, data & technology	○	○	◐	○	<div style="width: 20%; background-color: #0070C0; height: 10px;"></div>	need
ESG & reputation	◐	○	○	○	<div style="width: 10%; background-color: #0070C0; height: 10px;"></div>	need
Independence in substance	●	●	◐	○	<div style="width: 75%; background-color: #0070C0; height: 10px;"></div>	–

● held ◐ thin ○ absent **2 of 5 capabilities uncovered**

Illustrative. The same four respected directors who look complete on paper leave two capabilities entirely uncovered. The matrix makes the absence visible – and turns the next search into a brief.

THE DISCIPLINE

The value is in the honesty. A matrix that rates every director ‘held’ on every capability is a comfortable fiction; one that surfaces two uncovered columns has done the board a service no flattering shortlist could – it has written the next search brief for them.

3.2 – A SEARCH BEYOND THE ADDRESS BOOK

Once the gap is named, look for the capability *wherever it lives.*

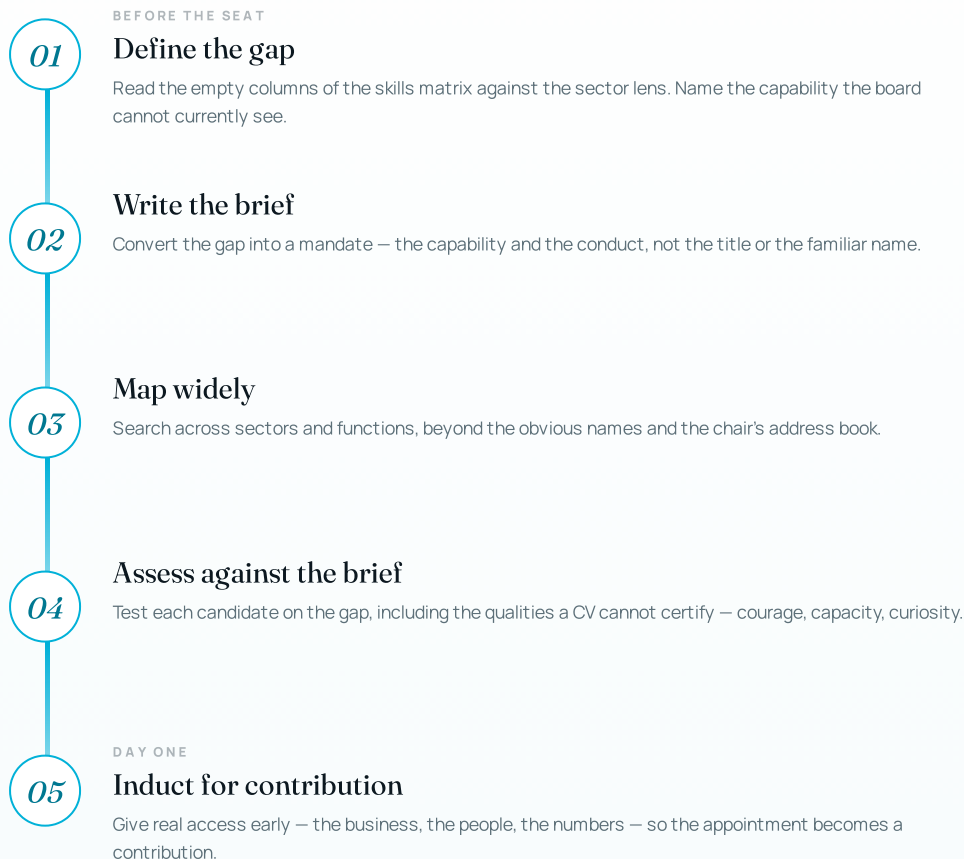
The search that follows a real gap looks for the missing capability across sectors, across functions, and beyond the obvious names. That is a mapping exercise, not a networking one – and it weighs the harder-to-see qualities, not just the visible CV. A disciplined process turns a vague “we should add a director” into a defined mandate, and protects the board from defaulting to the first reassuring name that comes to mind.

It also changes who ends up in the room. Mapping widely surfaces operators one rung below the C-suite, leaders from adjacent sectors, and specialists whose expertise a board has never carried – candidates a network-led search would never reach, but who close the exact gap the brief describes.

EXHIBIT 07

FACT PERSONNEL

From a vague intention to a defined mandate



Compliance governs only the act of appointment. Everything that turns an appointment into a contribution happens in these five steps – the work a search firm exists to bring. Fact Personnel framework.

Run this way, the appointment stops being a favour to the chair's network and becomes a considered answer to a question the board has asked itself. The right director for a chemicals board and the right one for a fintech are rarely the same person – and almost never found in the same address book. **That is search work, and it is the discipline a firm like ours exists to bring.**

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04

What to *assess*

SECTION FOUR

A candidate brings five things to the seat: independence, expertise, courage, time, and curiosity. Only one of them is reliably visible at *appointment*.

The rest are revealed in office — which is why how you assess, and what you probe for, matters as much as the résumé in front of you.

4.1 – ASSESS AGAINST THE BRIEF

An impressive CV that does not close the gap is the wrong *appointment*.

Of the five things a candidate brings to the seat, only **expertise** is reliably testable on paper. Courage, curiosity and capacity are revealed in office – so references, behaviour in the interview, and a candid conversation about other commitments carry more weight than the credential list. The discipline is to assess against the brief you built in Section 03, not in the abstract: plot what this particular seat requires, then plot the candidate, and interrogate the gaps that open up between them.

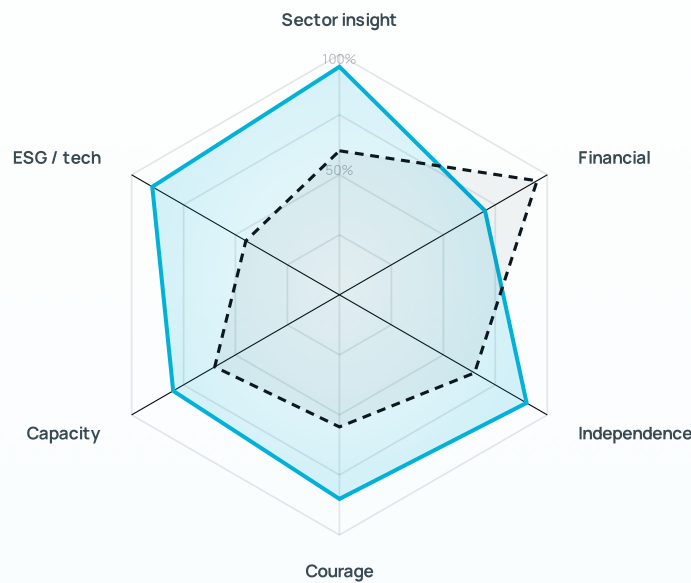
This is also where independence is quietly won or lost. The most common failure is not appointing a weak candidate; it is appointing a strong one whose strengths the board already has – because the conversation drifted toward who impresses rather than what the seat actually needs.

The plotting matters more than it looks. A board that assesses in the abstract tends to reward the most impressive candidate; a board that assesses against its own brief rewards the one who closes its gap – and those are frequently not the same person.

EXHIBIT 08

FACT PERSONNEL

Assess against the brief – not against the résumé



- **What the seat requires** – drawn from the skills-matrix gap and the sector lens.
- - **The candidate** – plotted against the same brief, not in the abstract.

Read the gaps. Strong on financials, light on sector insight, courage and ESG / tech – the axes a résumé cannot certify.

Illustrative. Plot what this seat requires, then plot the candidate, and interrogate the shaded gaps – especially on the axes a CV cannot certify: independence in substance, courage, and capacity, Fact Personnel framework.

THE TEST A candidate may be outstanding and still be wrong for this seat – because the seat was defined by a gap they do not close. Seniority is not the test. Fit to the brief is.

4.2 – THE QUESTIONS THAT REVEAL IT

And two constraints that decide whether even the right director can *perform*.

Two practical constraints quietly decide whether a well-chosen director contributes. The first is **capacity**: a director on too many boards – over-boarded – cannot read deeply, visit, or think between meetings, and degrades into the absentee of Section 1.2 however able they are. The second is **culture**, and it is the chairperson’s gift to give: a director’s courage is only as useful as the room’s tolerance for dissent. Probe the first before you appoint; build the second deliberately, because where a chair treats challenge as disloyalty, independence dies quietly and no framework records the death.

Both constraints are knowable in advance. Capacity is a matter of arithmetic and honest disclosure; culture is set by how the chair runs the room, handles dissent, and shares information ahead of meetings. Neither appears on a résumé, and both decide whether the appointment works.

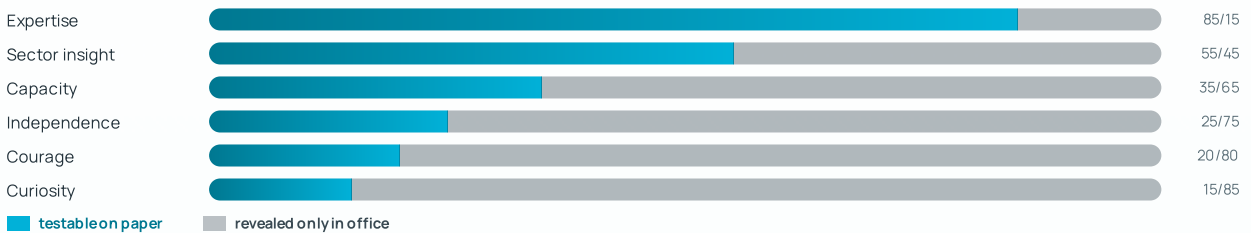
The questions share a design principle: each asks for evidence, not assertion. Anyone can claim to be independent or curious; far fewer can point to a moment when it cost them something. What you are listening for, across every row, is the difference between a description of a quality and a demonstration of it.

EXHIBIT 09

FACT PERSONNEL

The questions that reveal what the CV cannot

HOW MUCH OF EACH QUALITY IS VISIBLE ON PAPER – VS ONLY IN OFFICE



QUALITY	WHAT TO PROBE	A GOOD SIGNAL	A RED FLAG
<ul style="list-style-type: none"> Independence in substance 	Ask for a time they dissented on a board, and what it cost.	A concrete example, calmly told.	Only abstract talk of ‘robust debate’.
<ul style="list-style-type: none"> Constructive challenge 	Pose a live dilemma from your business; watch the questions.	Questions that reframe the problem.	Quick agreement; deference to the chair.
<ul style="list-style-type: none"> Sector insight 	Probe a specific risk in your sector, not the headlines.	Fluency in the unglamorous detail.	General seniority standing in for depth.
<ul style="list-style-type: none"> Capacity 	Count the other boards, honestly, and the real hours.	Head-room and visible engagement.	A full slate and a packed calendar.
<ul style="list-style-type: none"> Curiosity 	Ask what they would want to see beyond the board pack.	An instinct to look past what is offered.	Satisfied by the summary.

Expertise is largely testable at appointment; courage, capacity and curiosity are revealed in office (chart). The interview, references, and a candid talk about other commitments are where you see them early (table). Illustrative; Fact Personnel framework.

REMEMBER None of these questions has a model answer to memorise. They are designed to surface conduct, not credentials – the same distinction the whole issue turns on.



05

Eight rooms, *one seat*

SECTION FIVE

The fiduciary duty is constant; the substance is not. The right independent director for a chemicals board and the right one for a fintech are rarely the same *person*.

A brief tour of the lens each sector quietly demands — and a map of where this series goes next, room by room.

5.1 – THE SECTOR LENS, IN BRIEF

The same duty — eight different things to watch.

What an independent director must see, ask and protect is set by the business in front of them. The matrix below names the dominant lens each of the eight sectors we recruit for quietly demands — and the single question that, answered well, earns the seat. It is deliberately brief: a map, not the territory, and a preview of where this series goes next.

Read down the column of questions and a pattern emerges: each is specific enough that only a director with real depth in that sector could answer it well — the kind of specificity generic seniority cannot fake, and exactly what a sector-led search is built to find.

This is why the issues that follow exist. A single brief cannot do justice to the texture of risk in a chemicals plant, a lending book, or a software platform — each deserves its own treatment, and its own answer to the question of who should be watching. What follows here is the map; the territory comes next.

EXHIBIT 10 FACT PERSONNEL

The same seat, eight different rooms — at a glance

	SECTOR	DOMINANT LENS	RISK MIX	THE QUESTION THAT EARNS THE SEAT
01	Financial services	Capital, asset quality & conduct		"Would we see this book turn before the regulator does?"
02	Manufacturing & engineering	Capital allocation & safety		"Does this expansion beat its cost of capital — and is the plant safe?"
03	Chemicals & process	Catastrophic & environmental risk		"What is the worst that can happen, and what stands between us and it?"
04	Healthcare & life sciences	Patient safety, quality & R&D		"Are we holding quality above the quarter — and is the data real?"
05	Consumer & retail	Brand, reputation & ESG		"What could break trust in this brand faster than we could rebuild it?"
06	Real estate & infra	Leverage, cash & related parties		"Where is the cash, who is the counterparty, and is the value real?"
07	Technology	Cyber, data & platform dependence		"What do we depend on that this board cannot yet interrogate?"
08	Media & prof. services	Talent, reputation & independence		"Are we protecting the judgement and people the firm is made of?"

illustrative weighting

The fiduciary duty is identical across rows; the dominant risk — and therefore the director to search for — is not (see the risk mix). Each room is taken up in full in the issues that follow. Illustrative; Fact Personnel framework.

Next in this series

The Boardroom Brief takes each of these eight rooms in turn — beginning with financial services — examining the specific risks, the regulatory texture, and the kind of director a board in that sector should actually search for.



EFFECTIVENESS

A compliant board sits together. An effective one pulls together.

IN CLOSING

IN CLOSING

The compliant board is a floor. The effective board is a *decision*.

India has built a strong floor under the independent director — a clear definition of independence, real tenure limits, a national databank, committees with teeth. That floor was hard-won and it matters. But a floor is something you stand on, not something you are praised for reaching.

Stopping at the floor has a cost, even when nothing visibly goes wrong. A board that is merely compliant spends its meetings confirming what management already believes; it ratifies rather than tests, and the company quietly loses the one thing an outside mind was meant to provide — a check on its own confidence.

The effective board is built above it, by choices the rulebook never makes. It recruits against the gap its strategy exposes, not the names it already knows. It identifies that gap honestly with a skills matrix, searches for it beyond the address book, and assesses candidates against the brief — not the résumé.

None of this is exotic. It is ordinary diligence, applied to a decision most boards still make by instinct and acquaintance. The firms that do it well are not cleverer than the rest; they are simply unwilling to leave the most important seat in the room to whoever happened to be easiest to call.

And it understands the thing no regulation can deliver: that an independent director's value is a matter of conduct, not credentials — independent judgement, the courage to use it, and a chair who makes that courage usable. Each of those is chosen, by boards and by the people who lead them.

That last condition is the one most often forgotten. A board can recruit a genuinely independent mind and then train it into silence — through a chair who treats questions as friction, papers that arrive too late to read, and a culture that rewards agreement. The appointment is necessary; the room is what makes it work.

For chairpersons and promoters, the implication is a brief, not a burden: **decide what your board genuinely cannot see, and go and find the person who can.** For directors, it is an invitation to treat the seat as a mandate rather than a title — and for all of us who care how Indian companies are governed, it is the difference between a board merely permitted to exist and one worth having.

If there is a single request in these pages, it is this: treat the independent seat with the seriousness you would bring to hiring a chief executive. It is, after all, the seat charged with watching that one. The board that does will not merely satisfy the regulator — it will be measurably harder to surprise.

FACT PERSONNEL'S VIEW

A great independent director is not a compliance artefact. They are a *deliberately chosen, well-briefed, genuinely free mind* — selected for a specific gap and protected enough to use their judgement. Assembling that board is search work, not box-ticking. It is the work we do.

SOURCES & NOTES

Where the facts come *from*.

This is an original Fact Personnel perspective. The argument and all exhibits are our own; the regulatory statements are summarised in our words from the primary sources below and were verified as current at preparation. Exhibits marked 'illustrative' present our framework and search experience, not statistical research.

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- 1 Companies Act, 2013 – s.149(6)**
Criteria and declaration of independence for an independent director.

 - 2 Companies Act, 2013 – s.149(10)-(11)**
Term of up to five consecutive years; no more than two consecutive terms; three-year cooling-off before re-appointment.

 - 3 Companies Act, 2013 – s.150 & Companies (Appointment and Qualification of Directors) Rules, 2014, r.6**
Selection from, and registration with, the IICA Independent Directors Databank; online proficiency self-assessment, with exemption for not less than ten years' service as director or KMP in a listed (or qualifying unlisted public) company.

 - 4 Companies Act, 2013 – Schedule IV**
Code for Independent Directors, including their duties and a separate meeting of the independent directors.

 - 5 Companies Act, 2013 – s.177 / SEBI LODR Regulations, 2015, Reg. 18**
Audit committee: minimum three members, at least two-thirds independent, chaired by an independent director.

 - 6 SEBI LODR Regulations, 2015 – Reg. 17(1)(b)**
Board composition: at least one-third independent where the chairperson is a non-executive director; at least one-half where there is no regular non-executive chairperson, or where the non-executive chairperson is a promoter or related.

 - 7 SEBI LODR Regulations, 2015 – Reg. 25(2A)**
Appointment, re-appointment or removal of an independent director by special resolution of shareholders, with a majority-of-minority alternate mechanism for first-term appointments (2022 amendment).

Regulatory references are provided for general information only and are not legal or governance advice. Provisions are amended from time to time; readers should consult the current text of the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the relevant Rules, or take professional advice, before acting. © 2026 Fact Personnel.

ABOUT FACT PERSONNEL

We find the people the role was *waiting for.*

Fact Personnel is a Mumbai-based leadership search and advisory firm. We help boards and chief executives across India's major sectors find – and build the conditions for – the leaders and directors who change what a company is capable of.

Board Search

Independent and non-executive directors recruited against the gap, not the address book.

Executive Search

CEO and C-suite mandates across our eight sectors.

Leadership Advisory

Board composition, evaluation and effectiveness.

Succession Planning

Orderly transition at the top, before a crisis forces it.

Market Mapping

A clear-eyed read of where the talent – and the gaps – actually are.

The Boardroom Brief

Our periodic perspective on boards and the practice of governance.

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THE BOARDROOM BRIEF

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