

Stick to deadline, Sebi tells India Inc

PTI | September 14, 2005 | 17:02 IST

Listed companies would have to adhere to Clause 49 stipulations of having 50 per cent independent directors on their boards by December 31 and there should be a four-month time gap between two board meetings, SEBI chairman M Damodaran announced on Wednesday.

"I am confident that the corporate sector would find more independent directors than what it requires," Damodaran said after inaugurating a CII-initiated website 'primedirectors.com', with which SEBI is also involved.

"With the launch of this website, I don't think we need to ask whether we will find enough people," Damodaran said dismissing apprehensions that it is difficult to find enough independent directors.

The website, of which SEBI is the chief patron and whose two main sponsors are BSE and NSE, aims to give a list of eligible independent directors for India Inc by providing a database of eligible people.

As per the estimates, as many as 30,000 independent directors are required by the industry to comply with Clause 49 stipulations.

The SEBI chief, however, said that to maintain the integrity of the independent directors, it should be ensured that they are not over-compensated.

"If you give a little, you won't attract the right people. If you give too much, they won't remain independent," he said though adding, the companies should refrain from over-compensating them.

Print this Page

Close

URL for this article:

<http://www.rediff.com/money/2005/sep/14sebi1.htm>