

# 275 independent directors' vacancy at NSE-listed firms

A person can be independent director in not more than 7 firms

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AS many as 277 independent directorship positions have fallen vacant in NSE-listed firms since February, when Sebi decided to restrict the number of firms such directors can serve.

Further, six independent directorship positions need to be vacated in NSE-listed companies to comply with Sebi norms. Five persons, as per the latest report by indianboards.com, currently occupy these position.

Under the market regulator's corporate governance norms, a person can serve as an independent director on boards of a maximum seven listed companies.

Besides, if an individual is a whole-time director in a listed firm, he can serve as an independent director in a maximum of three firms.

According to indianboards.com, a joint initiative of Prime Database and NSE, the Sebi norms have resulted in as many as 277 independent directorship positions being vacated at



**DIRECTORS' SHORTAGE:** If an individual is a whole-time director in a listed firm, he can serve as an independent director in a maximum of three companies

the companies listed on the exchange since February, when the capital markets regulator first made this announcement.

The report further noted that a more worrying aspect was the present state of compliance with clause 49 of the listing agreement regarding composition of the

board. "As many as 15 per cent of the NSE-listed companies (213 firms) are presently non-compliant (with this rule)," Prime Database MD Pranav Haldea said. "This number has gone up after Sebi's new norm of not treating nominee directors as independent, which was made effective

Oct 1, 2014," he added.

With regard to tenure of independent directors, as many as 1,297 of a total of 5,999 independent directorship positions (22 per cent) in as many as 660 of the 1,449 NSE-listed were found to have already crossed tenure of 10 years, as on April 1, 2014.