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Sebi warns of penalties as Board quota deadline nears

Himank Sharma

Mumbai: Corporate India's "shameful" failure to appoint enough women directors ahead of a deadline set by regulators for April 1 will result in "very serious" consequences for firms, the head of the Securities and Exchange Board of India (Sebi) said on Friday.

Sebi last year imposed a quota of one female director on the board of every listed firm. It extended the deadline once last year, but despite last-minute appointments, hundreds of firms, including several large state-owned companies, still fall short of the requirement.

"I find it very shameful that in this country, about 8,000 or 9,000 listed companies can't find even one woman who is competent enough to be on



U K Sinha

their board," Sebi chairman U K Sinha told reporters.

"I'm very categorical: if people do not follow it willingly, then it will have consequences. And the consequences will be as per the law and can be very serious."

He did not specify the penalty or consequence.

According to data combined by Prime Database, al-

most one third of companies listed on the National Stock Exchange still have no women directors on their board. Laggards include state owned oil firm ONGC, infrastructure group Larsen & Toubro and conglomerate Adani Enterprises, owned by one of India's richest men.

That is an improvement from early 2014, when the rule was introduced. But campaigners argue that the last-minute rush has also brought in female directors who do not meet the spirit of the law, as they are connected to the "promoters", or majority shareholders - in many cases, through family.

According to Prime Database, if the requirement was for boards to have independent women directors, 62 percent of listed firms would fall short. —Reuters