

SEBI and RBI will discuss a plethora of issues at their board meetings on March 22

SINHA TALKS TOUGH

New norms for start-up IPOs

Seeking to broaden access to capital markets, the Securities and Exchange Board of India (SEBI) will come out with new guidelines for start-ups to raise funds through the initial public offerings (IPOs) while a fresh set of norms will be soon put in place for setting up the country's first International Financial Services Centre (IFSC).

SEBI Chairman U. K. Sinha on Friday expressed concern over exorbitant commissions being paid by mutual funds to their agents, while he promised to look into measures to boost the newly created Real Estate Investment Trust

• The procedure for merger of commodities watchdog FMC with SEBI is on track

• Finance Minister Arun Jaitley will address the boards of SEBI and the RBI separately on March 22

(REIT) category of raising funds.

Speaking at a SEBI-organised conference on REITs, Mr. Sinha said many large groups were preparing to launch such funds, but some of them had raised certain taxation-related issues, which the market regulator had referred to the government.

Mr. Sinha, who also talked about a plethora of other issues on the sidelines of the event, said the guidelines for establishing the country's first IFSC in Gujarat's GIFT City would be in place before April 1, and discussions were continuing in this regard with the Reserve Bank of India and the Finance Ministry.

Finance Minister Arun Jaitley will address the boards of SEBI and the RBI separately on March 22, wherein, he is expected to talk about various proposals made by him in the budget that concerns the jurisdictions of the respective regulators.

About another budget proposal, Mr. Sinha said the procedure for merger of commodities watchdog Forward

Markets Commission (FMC) with SEBI was on track, and the two regulators were coordinating with the Finance Ministry to ensure a smooth transition.

Many of these issues are likely to be discussed during the two board meetings on March 22.

On start-up IPOs, Mr. Sinha said final guidelines should be ready in 3-4 months, after a public consultation process that would be launched soon.

The regulator had discussed the issue of IPO by start-ups and e-commerce firms, and it was of the view that such companies should be listed in India, Mr. Sinha said, while adding that SEBI would be holding a meeting with start-ups on March 27.

"We want our companies to list in India rather than being forced to list outside India... It appears that a certain set of rules will have to be carved out for them because they have a very specific business model," Mr. Sinha said.

There have been reports that e-commerce firm Flipkart is looking to list in the U.S. On REITs, Mr. Sinha said it took a long time even in the U.S. for this business structure to take off.

-PTI

A 'shameful' failure

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, Securities and Exchange Board of India Chairman U. K. Sinha said in Mumbai 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 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, almost one third of companies listed on the National Stock Exchange still have no women directors.

tors 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. In February last year, two-thirds of firms lacked a single female director.

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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 per cent of listed firms would fall short.

Poonam Barua, an economist and a campaigner who runs WILL Forum India and

helps promote women in leadership, said there was no issue of supply of qualified women among India's monthly 600 million women, or any shortage of ambition.

Instead, she argues companies themselves have been reluctant to accept different voices. "I understand the rest of the world has the same problem, the difference is we have 500 million women. We are 8 per cent of the world population," Ms. Barua said.

"If in 8 per cent of the world's population you cannot find qualified women, I say go and change your perspective," he said.

-Reuters



DEADLINE NEARS

1 April 1 is the deadline set by SEBI for corporate India to appoint women directors

2 About 8,000-9,000 listed companies can't find even one woman who is competent enough to be on their boards

3 According to Prime Database, almost one third of companies listed on the NSE still have no women directors on their boards

4 Laggards include state-owned oil firm ONGC, infrastructure group L&T and conglomerate Adani Enterprises



LOBBYING HARD

1 New set of guidelines for start-up Initial Public offerings (IPOs) in the next 3-4 months

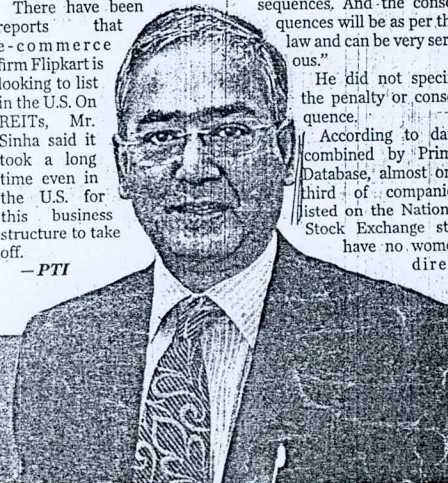
2 Meeting has been called with start-ups on March 27

3 Discussion paper will be floated on IPOs by such entities

4 A number of e-commerce firms, including start-ups, have been lobbying hard to seek relaxation in IPO norms

5 Representatives from the industry, along with some venture capitalists and private equity funds, met Mr. Sinha earlier to present their case

WE WANT OUR COMPANIES TO LIST IN INDIA RATHER THAN BEING FORCED TO LIST OUTSIDE INDIA. IT APPEARS THAT A CERTAIN SET OF RULES WILL HAVE TO BE CARVED OUT FOR THEM



WE HAVE 500 MILLION WOMEN WE ARE 8% OF THE WORLD POPULATION. IF IN THE 8% YOU CANNOT FIND QUALIFIED WOMEN, I SAY GO AND CHANGE YOUR PERSPECTIVE

- POONAM BARUA, an economist