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## Over 250 cos appoint women directors to meet norm on last day

**MUMBAI:** Waking up at the last moment, over 250 companies including Adani Power, Adani Ports, Essar Oil and GVK Power on Tuesday appointed women directors to meet the Sebi deadline of midnight tonight for having at least one female member on their boards.

The companies have, however, mostly appointed wives or daughters of their promoters or top executives, while some have also replaced their independent directors with their female family members, mainly wives, daughters or sisters.

The numbers can rise further as board meetings were scheduled till late in the night to comply with the norms, which were first announced in February 2014 with an initial deadline of October 1, 2014. It was extended by 6 months.

Yesterday too, nearly 200 companies had made such appointments as part of last-minute rush that began late last week after a stern warning from the regulator.

Tomorrow onwards, the companies without a woman director may face penal action under the Sebi regulations, as also under the Companies Act, including monetary fines. While Sebi norms provide for penalty of up to ₹25 crore, the penalty under the Companies Act can be from ₹5,000 to ₹5 lakh.

Sources said the stock exchanges were asked by Sebi to submit a compliance status tonight, while a final update would be provided tomorrow after taking into account late-night filings. Subsequently, Sebi will look into the final compliance status and begin the process for undertaking necessary action against the non-compliant companies.

Similar action would be initiated by the Corporate Affairs Ministry for non-compliance to the Companies Act provisions.

The companies are required to appoint women directors as per the new Corporate Governance regime ushered in by Sebi last year, which also included various measures with regard to independent directors and top management salaries to safeguard the interest of small investors.

Earlier, the new regime was applicable to all the listed firms. Sebi later exempted smaller companies -- those having equity share capital of up to ₹10 crore and networth not exceeding ₹25 crore, as also those listed on the SME platforms of the stock exchanges -- from the mandatory compliance "for the time being".

There are more than 5,000 companies listed on the BSE, while NSE has nearly 1,650 entities on its platform.

Till early evening, nearly 200 NSE-listed companies were yet to comply, while the number could be higher at the BSE.

However, nearly half the appointments made by the companies were of the persons from within the families of the promoters or top executives.