

**GOVERNMENT OF INDIA
CORPORATE AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:6747
ANSWERED ON:06.05.2010
APPOINTMENT OF INDEPENDENT DIRECTORS
Agarwal Shri Jai Prakash

Will the Minister of CORPORATE AFFAIRS be pleased to state:

(a) whether the Government has taken a decision to impose heavy penalty on the companies failing to appoint a fixed number of independent directors within a definite period as per the norms of the corporate proposal; and

(b) if so, the details of the companies appointing and the names of the companies failing to appoint a fixed number of independent directors as per the norms of the proposal?

Answer

THE MINISTER OF CORPORATE AFFAIRS (SHRI SALMAN KHURSHID)

(a) & (b): The Companies Act, 1956 does not provide for appointment of independent directors. As per clause 49 of the Listing Agreement, all the listed companies are required to appoint independent directors. As per the information received from Securities Exchange Board of India (SEBI), there are 83 companies listed in BSE and 47 companies listed in NSE which have not fully complied with clause 49 of the listing agreement.