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Press Release

14 September 2005

SEBI Chairman launches www.primedirectors.com - a website to help listed companies find Independent Directors

A new website www.primedirectors.com to help the listed companies find Independent Directors was launched on 14 September, 2005 by Shri M.Damodaran, Chairman, Securities & Exchange Board of India. This website, a corporate governance initiative, has been conceived and developed and is owned by PRIME Database, India's premier database on the primary capital market. The Main Sponsors of this website are NSE and BSE, the two leading stock exchanges where most of the companies are listed while CII, the premier industry association is the Institutional Partner.

For better corporate governance, the need for Independent Directors is now recognized the world over. Independent Directors in India too now have substantive role and responsibilities, as envisaged both by SEBI and MCA; simultaneously, the Companies Act now allows a reasonably good remuneration to the Independent Directors.

All listed companies (more than 9,000) are required to comply with the Listing Agreement by 31 December 2005, which mandates that Independent Directors should constitute 50 per cent of their Boards; otherwise the defaulting companies may face severe penalties. An estimate puts the requirement of Independent Directors at over 30,000.

However, how do listed companies go about finding Independent Directors, besides contacting persons known to them or through word-of-mouth, thereby limiting the horizon? On the other hand, how do thousands of professionals who are competent and willing to become Independent Directors let the listed companies know about themselves and get invited? Significantly, there is an increasing realization among listed companies that if they have to have Independent Directors, they may as well get the best professionals who would not only add value to their companies but also build confidence among the investors.

primedirectors.com now provides the answer. This is a free-of-charge platform both for the professionals to enroll themselves and for the listed companies to reach them. The website provides complete confidentiality both to the professionals and to the listed companies. The database of professionals is accessible only to authorized listed companies.

According to the design of the website, some entry norms like education, work experience, defaults etc. have been prescribed. The qualified professionals will then file their profiles, and would specify whether they would like their identities to be displayed in the search results or not.

Once the website is reasonably populated with profiles, it would be opened for access to the listed companies. A listed company will search this website by using parameters of its choice. This will generate search results containing brief summaries of the matching professionals. In cases where the professional has agreed to disclose his identity, the same will be disclosed to the listed company which will then contact the professional directly. In cases where the professional has specified that his identity should not be disclosed, the listed company will be able to reach the professional via the website only after the professional shows an interest.

Extensive promotion is being launched by the website to potential professionals-faculty and alumni of renowned institutions, members of professional bodies, chambers, research organizations law firms, senior retired people etc.

