

PRIME launches DIRECTORS DATABASE- covering directors of companies listed at the BSE

PRIME Database has launched DIRECTORS DATABASE which provides, for the first time, a single-point access to information on the boards of directors of listed companies. More significantly, it also provides a profile with age, qualification and experience of each director. This Database, which is a part of the BSE's initiative on corporate governance and is available on the website www.directorsdatabase.com, was launched by Shri M.Damodaran, Chairman of SEBI.

Presently, information about members of the boards of listed companies is very limited in the public domain. The only way even to get the list of board members of any company is to obtain its annual report or visit its website though many companies do not have a website, and those who have, do not necessarily list their directors. It gets worse for obtaining profiles of the directors. While the notice to the shareholders at the time of induction of new directors is the only means, no profiles are provided in the case of a reappointment.

It is important that investors, analysts, regulators and the market know not only about the directors who are at the helm of affairs of a company but more so about the independent directors who are supposed to bring better corporate governance and also protect the interests of the minority shareholders.

Clause 49 of the listing agreement mandates induction of independent directors on the boards of listed companies. It is generally believed that though most companies have complied with Clause 49, many have done so in letter. The Database already has thrown up several misuses of Clause 49. For example, several promoter-directors are designated as non-executive chairman thereby requiring only $\frac{1}{3}^{\text{rd}}$ of their boards comprise of independent directors. Or, independent directors being related to each other. Or the deficiencies in the definition of relatives which excludes several close relatives, and hence entitles them to become independent directors. It is hoped that this website would lead to changes in regulations as also generate public interest and debate about the quality and role of independent directors.

The new database, in phase I, covers 2,352 companies which are actively traded at BSE. As on today, 909 of these companies have filed information about their 9,880 directors. Over the next few days, it is expected that most of the other companies would have also file, their information. The website provides the list of companies who have not filed information.

The Database provides information on the board of directors as updated by the companies on a current basis. It also provides information on the board of directors of each company as on 31 December, 2005, being the last date of compliance of Clause 49. Provision has been made on the website for companies to file the modifications and updations.

For accessing information on the board of any company, a click on the name of a specific company in the Company Index will lead to information on its board of directors. Significantly, the Database also provides the inverse information- providing information on each director including his directorships and profile.

The Database has a sharp focus on the Independent Directors. In this module, the Company Index shows only the independent directors of a company and the Director Index leads to the independent directorships and profile of the person.

PRIME intends to add new databases on Directors on Boards of Asset Management Companies of Mutual Funds, Trustees of Mutual Funds, Debenture Trustees, Capital Market Intermediaries and companies planning IPOs

This is the third public service launched by PRIME. Its first website, www.watchoutinvestors.com provides information about economic defaults/non-compliances of companies/individuals. The website presently lists 57,520 companies and 25,024 individuals. Its second website, www.primedirectors.com, enables professionals who wish to be considered for Independent Directorship, to enrol free-of-charge and for listed companies who wish to induct professionals on their boards as Independent Directors a free access to a huge pool of highly qualified professionals. The website presently hosts profiles of over 16,154 professionals.