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BEST OF THE BEST: (From left to right) Nikhil Meswani, executive director of Reliance Industries Ltd receives the Golden Peacock National Award for excellence in social responsibility in the private sector. M. Damodaran, chairman of UTI and IDBI, M.N. Venkatchaiah, former chief justice and Dr Madhav Mehra, president of the World Council for Corporate Governance are also seen at the function in Mumbai on Friday. A photograph by Ashish Shankar

Wide gap between staff, CEO remuneration: Study

By OUR CORRESPONDENT

Mumbai, Nov. 14: India is witness to an increasing differential between an ordinary worker's wages and a chief executive. The differential has moved dramatically to touch 1:400 as against 1:20 two decades ago, a study conducted by the Centre for Corporate Governance indicated. According to the survey there is an urgent need to rein in

excessive compensation.

Addressing a seminar on the "Challenges of Corporate Governance in turbulent times," Mr M. Damodaran, chairman of the Unit Trust of India and IDBI, and also chairman for Western Chapter of Centre of Corporate Governance said, "Corporate Governance should not only be on paper, but should also be put into practice." "One of the ultimate negative points

of corporate governance is the chief executive, often the promoter, of a company also heading the board of directors. A structural change should be there in the composition of the board of directors so that better corporate governance can be practised," Mr Damodaran said.

The regulators should not be too obsessed with quarterly results of corporates. It requires lengthy reviews and

huge efforts, especially if the company is large and diversified, to put together a quarterly review of performances. Such mandatory requirements put enormous pressure on companies and could force people to put out information that may not be entirely accurate, Mr Damodaran added.

Dr Madhav Mehra, president, World Council for Corporate Governance also expressed his views in saying

that CEOs have not been focusing on creating wealth but manipulating figures to justify large bonuses to enhance their pay packages and pointed out that the other reason for corporate collapse is the "mortal fear in which today's CEO lives off the stock market, which forces him to inflate quarterly earnings. We have to educate investors to ignore quarterly reports and take a long view

of the company's performance."

Reliance, NTPC, HPCL and Thomas Cook were the recipients of this year's Golden Peacock Awards. Reliance was awarded for excellence in social responsibility in the private sector.

Thomas Cook and HPCL received awards for excellence in corporate governance in private and public sector respectively.

gins by the NSE from Thursday. As a result, the sensx crashed by 83 points as most index stocks except HPCL, HLL and ITC ended negative. The sensx finally ended at 4865 before touching the day's low of 4854, while the Nifty ended 29 points down to close at 1550.

According to market analysts, lack of FIIs buying and relentless selling pressure by domestic mutual funds and local operators lead to a crash in the market.

While the MF's have sold equities worth over Rs 500 crores in the last seven trading sessions, the FIIs investment has gone down to average below Rs 200 crores during this period. Technical analyst with a leading broking firm said, "the charts looks negative with both the sensx and the Nifty breaching their support level. A support level of 1570 was very crucial for the Nifty and a further correction is expected on Saturday atleast in the early part of the trading session." Both the NSE and BSE will remain open for trade from 11 am to 1.30 pm as NSE will test its back-up facilities in Chennai.

Most stocks in the F&O segment witnessed aggressive selling.

ing director, Greater Bank said, "After conducting a market survey, the bank felt there is more need to penetrate into the retail sector."

The first scheme called the "Dhanvantrai Loan", is designed to cater the needs of all the doctors for various professional requirements like setting up new dispensaries/ hospitals or for acquiring equipments, apparatus, furniture and fixtures for an existing proposed establishment or for repairs and renovation of existing establishments or purchase of vehicles for professional use. The second loan scheme, "Greater Ride" is aimed at encouraging the younger generation hailing from common middle class families. The third loan scheme called financing against rent receivable is the form of term loan and is specially designed for the landlords of organisations to meet their short-term/ long-term personal business needs. This loan can be availed for a maximum period of 84 months with the minimum loan amount of Rs 2 lakhs or 95 per cent of the receivable.