

[18 December, 2001] RAJYA SABHA

listing agreements to implement the mandatory recommendations of the Committee. SEBI has made some of the best practices of corporate governance mandatory, through a phased programme. The board of directors of a company shall have an optimum combination of executive and non-executive directors with not less than 50% of the boards consisting of non-executive directors. A qualified and independent audit committee is required to be set up, which will meet at least thrice a year. The annual reports of companies are required to have a separate section on corporate governance. The new clause in the listing agreement also lays down board procedures including the frequency of board meetings. Further, a director shall not be a member in more than 10 committees or act as Chairman of more than five committees across all companies in which he is a Director. Shareholders are to be provided information in case of appointment of a new Director or re-appointment of a Director. A board committee is to be formed to look into redressal of shareholder and investor complaints. The Government has also instituted a National Award for Excellence in Corporate Governance.

Revival of sick PSUs

*2916. DR. A. K. PATEL: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that several Public Sector Undertakings are sick for the last many years;

(b) if so, the State-wise details of PSUs declared as sick during the last two years;

(c) the reasons ascertained by Government regarding sickness of these undertakings so far; and

(d) the steps Government propose to take in order to run these undertakings systematically once again in future?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI RAJIV PRATAP RUDI):

+Original notice of the question was received in Hindi.

(a) to (d) There are seven PSUs under the administrative control of this Department. One of the PSUs namely Tea Trading Corporation of India Ltd. (TTCI), Kolkata which is a wholly owned subsidiary of State Trading Corporation of India, is facing an acute financial crunch being a loss making company due to poor conditions of tea gardens and has been unable to discharge its obligations. The cumulative losses of the Company are Rs. 45.63 crores as on 31-3-1999. Since it appears difficult to revive the tea gardens due to resource constraints and ground conditions, TTCI management has filed a petition in Kolkata High Court for liquidation of the Company. The case is pending in the Court.

Industrialisation of Madhya Pradesh

†2917. SHRI SURESH PACHOURI: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) what is the contribution of the Government in granting approval for establishment of six Development Centres in Madhya Pradesh;

(b) whether this contribution was given to Madhya Pradesh;

(c) if not, by when, the proposed contribution of funds would be extended;

(d) whether scheme for establishment of growth centres in Madhya Pradesh is under consideration, if so, the details thereof; and

(e) the details of policy fixed by Government for boosting industrialisation in Madhya Pradesh?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. RAMAN SINGH): (a) to

†Original notice of the question was received in Hindi.