

This framework provides for statutory disclosures to the stakeholders about the true and fair view of the state of affairs of the companies. To facilitate corporate disclosures by the companies to the stakeholders and the Regulatory Agencies, the Government has set up an electronic registry with round the clock access including inspection of documents, through internet. The companies are also required to disclose their financial position in accordance with Schedule-VI of the Companies Act, 1956 and the Companies (Accounting Standard) Rules, 2006.

SEBI has been continuously putting in place various measures to enhance transparency in corporate disclosures and decision making of listed companies. This includes various requirements of listing agreement between the stock exchange and listed companies. One such requirement is that the decisions of the company's board on major corporate events may be intimated to the stock exchange for public dissemination within 15 minutes from conclusion of board meeting. The company is required to furnish financial results to stock exchanges on quarterly basis as per the specified format which includes segment wise revenue, results and capital employed, Audit qualification, if any, etc. The financial results are also required to be published in newspapers. Further, the company is also required to intimate immediately to the stock exchanges all events which have a bearing on the performance/operations of the companies including price sensitive information.

(c) and (d) Prosecutions are launched against companies which have not utilized funds for the stated purposes under various provisions of the Companies Act, 1956. Further, under clause 49 of the listing agreement, company is required to disclose to the Audit Committee about the use of funds on a quarterly basis. The company is also required to prepare a statement of funds utilized for the purpose other than those stated in the offer document which, has to be certified by Independent Auditors of the company. The Audit Committee shall also make appropriate recommendation to the Board to take steps in the matter. Under clause 43 of the Listing Agreement, all the Listed Companies shall intimate stock exchanges, on a quarterly basis, the variation, if any, between the proposed utilization of funds as disclosed in the offer document and the actual utilization of funds. Information is required to be given on annual basis, for each of the years for which proposed utilisation are provided in the prospectus. This is also required to be published in the newspaper, along with explanation for variation, which is also required to be included in the Directors' Reports.

Strengthening enforcement mechanism against corporate frauds

880. SHRI N.K. SINGH: Will the Minister of CORPORATE AFFAIRS be pleased to state:

(a) whether Government proposes to strengthen the enforcement mechanism against corporate frauds in the country;

(b) if so, the details thereof;

(c) whether Government plans to give more powers to multi-disciplinary economic frauds investigative wing of Serious Frauds Investigation Office; and

(d) if so, the details thereof and the manner in which such corporate frauds would be kept under check?

THE MINISTER OF STATE OF THE MINISTRY OF CORPORATE AFFAIRS (SHRI SALMAN KHURSHEED): (a) and (b) Yes, Sir, The Companies Bill, 2008 introduced in the Lok Sabha on 23.10.2008 has lapsed in view of Article 107(5) of the Constitution. The Government now proposes to re-introduce the Bill as the Companies Bill, 2009 in the Parliament. The Bill provides for more stringent provisions in case of fraudulent activities by companies, their directors, auditors etc., and seeks to better regulate related party transactions, impose restrictions on non-cash transactions, prohibits insider trading, forward dealings in securities and special loans to directors.

(c) and (d) The Vepa Kamesam Committee constituted by the Government to examine various issues relating to Serious Frauds Investigation Office (SFIO) and to suggest statutory, administrative and organizational changes for improving the effectiveness and to ensure efficient discharge of duties by SFIO, has submitted its report and this is under consideration.

Share holding pattern of Swan Telecom

881. SHRI JAI PRAKASH NARAYAN SINGH: Will the Minister of CORPORATE AFFAIRS be pleased to state:

(a) whether Government has investigated into the details of shareholding pattern of Swan Telecom;

(b) if so, the details of investigations conducted so far about the shareholding pattern and frequent change of name of the company;

(c) whether Government has initiated a probe through CVC/CBI for various allegations against Swan Telecom; and

(d) if so, the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF CORPORATE AFFAIRS (SHRI SALMAN KHURSHEED): (a) No, Sir.

(b) Does not arise.

(c) No, Sir.

(d) Does not arise.

Employment of private sector CEOs' in PSUs

882. SHRI RAJKUMAR DHOOT: Will the Minister of CORPORATE AFFAIRS be pleased to state:

(a) whether it is a fact that during ongoing recession and slow down, some CEOs of renowned groups have become available for alternative position;

(b) if so, whether Government has thought of utilizing their services for improving the performance of sick and non-profit making public sector undertakings;