

companies, and for stakeholders and regulatory agencies to easily access and view them, Government has set up an electronic registry with round the clock access through internet. The Government has powers of inspection of the books of accounts of companies and also to investigate their affairs, if need be, under the Companies Act, 1956. The Government has set up Serious Fraud Investigation Office (SFIO), which is a multi-disciplinary body, to investigate multi-dimensional frauds of complex nature. The Companies Act also provides for appointment of independent, statutory auditors to audit the accounts and report to the shareholders. Such audited accounts are also displayed on the electronic registry for general viewing. While the reporting requirements are regulated under the Companies Act, 1956, the conduct of auditors is regulated under the Chartered Accountants Act, 1949. In addition, for listed companies, compliance with these statutory requirement to be certified by a company secretary in practice, who in turn is regulated under the Company Secretaries Act, 1980. Government has amended the Chartered Accountants Act, 1949 and the Company Secretaries Act, 1980 in 2006 to provide for a more effective disciplinary mechanism to deal with cases of misconduct by Chartered Accountants, Company SECRETARIES respectively. In 2006, the Government has notified Accounting Standards to enable accounts of companies to be drawn up and disclosed on the basis of fair, transparent and internationally accepted principles. The Government has also introduced Companies Bill, 2009 in Lok Sabha on 3rd August, 2009 which seeks to make more stringent provisions in case of frauds by companies, their directors and auditors etc.

(c) No, Sir.

#### **Vepa KAMESAM COMMITTEE REPORT**

295. SHRI R.C. SINGH : Will the Minister of CORPORATE AFFAIRS be pleased to state :

(a) whether the Vepa Kamesam Committee constituted by Government to examine various issues relating to Serious Fraud Investigation Office (SFIO) has submitted its Report;

(b) if so, the details of the major recommendations made by the Committee;

(c) whether Government has considered those recommendations; and

(d) if so, the action taken thereon?

THE MINISTER OF STATE OF THE MINISTRY OF CORPORATE AFFAIRS (SHRI SALMAN KHURSHEED) : (a) and (b) Yes, Sir. The Committee has made various recommendations, which *inter-alia* include :

(i) to provide a comprehensive, inclusive definition, defining the offence of fraud with regard to the affairs of a company;

(ii) to provide an appropriate investigative, enforcement and penalty structure to address situations resulting from corporate fraud;

(iii) to streamline the powers of the inspectors appointed under the Companies Act for being more effective in dealing with frauds in relation to affairs of companies;

(iv) strengthening the investigative powers of SFIO and to accord statutory recognition to the SFIO in the Companies Act itself;

(v) the Companies Act may be suitably amended so as to provide for establishing of special courts, vested with requisite civil and criminal jurisdiction, to deal with company matters including cases involving fraud.

(c) and (d) The Ministry is examining the recommendations made in the report.

#### **Progress of investigation in satyam scam**

†296. SHRI PRABHAT JHA :

SHRI BALWANT ALIAS BAL APTE :

Will the Minister of CORPORATE AFFAIRS be pleased to state :

(a) whether the Satyam scam has foreign links;

(b) if so, the details thereof; and

(c) the details of the progress in investigation of Satyam scam?

THE MINISTER OF STATE OF THE MINISTRY OF CORPORATE AFFAIRS (SHRI SALMAN KHURSHEED) : (a) to (c) Satyam scam is under investigation by various agencies including CBI and Serious Fraud Investigation Office (SFIO). The investigation is under progress. The CBI has filed a chargesheet in the court on 07.04.09 under various Sections of IPC and with the permission of the court, is further carrying out the investigation.

#### **Regulation of Salaries of CEOs**

297. SHRI M.P. ACHUTHAN : Will the Minister of CORPORATE AFFAIRS be pleased to state :

(a) whether Government is of the view that certain CEOs are being paid indecent salaries;

(b) if so, whether Government proposes to control the remuneration of CEOs by making some amendments to the Companies Act;

(c) whether it is a fact that some guidelines have already been issued by his Ministry for executive pay and compensation to the Directors of a company; and

(d) if so, the details thereof and the steps being taken to ensure that these guidelines are followed by the companies?

THE MINISTER OF STATE OF THE MINISTRY OF CORPORATE AFFAIRS (SHRI SALMAN KHURSHEED) : (a) Companies registered under the Companies Act, 1956 are free to decide about managerial remuneration within the ceiling given under the Act. Only such cases are to be referred to

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† Original notice of the question was received in Hindi.