

Although, no company that came out with an IPO after 2001 has been identified as vanishing company, the Ministry has instructed all Registrars of Companies to carry out technical scrutiny of balance sheets of the companies that came out with IPOs after 2001. The technical scrutiny of the balance sheets will enable the Ministry to keep a watch on the state of affair of such companies.

Further, the Ministry has also developed an Early Warning System in which the database of MCA 21 and the information filed by the company is used for detecting early warning of a possible business fraud/failure through the use of information technology. An Expert Group has also been set up with joint membership from the Ministry and SEBI to review the system of monitoring of proceeds of IPOs by the companies so that the regulatory authorities can keep a watchful eye on the issue of siphoning of the funds by fraudulent companies. This Expert Group is submitting its report shortly.

Transfer of shares of Reliance Infocomm

1067. SHRI AMAR SINGH: Will the Minister of CORPORATE AFFAIRS be pleased to state:

(a) whether it is a fact that Reliance Communication Infrastructure Ltd. (RCIL) had transferred 500 million shares of Reliance Infocomm to Shri Mukesh Ambani at Rs.1 per share when the market value of shares were at Rs.53.71 per share;

(b) if so, the details of the transaction; and

(c) whether these transactions were as per the norms laid down by the Securities and Exchange Board of India (SEBI)?

THE MINISTER OF STATE OF THE MINISTRY OF CORPORATE AFFAIRS (SHRI SALMAN KHURSHEED): (a) and (b) As per the record maintained in the concerned office of Registrar of Companies, the Reliance Communication Infrastructure Ltd. has transferred 50 crores shares of Reliance Infocomm Ltd. @ Re.1/- per share to the key Managerial Personnel i.e. Shri Mukesh D. Ambani during the year 2004-05 and the same were transferred back to the company at the same price during the same year. No such record regarding market value of shares is maintained by the Registrar of Companies.

(c) Being unlisted company, the norms laid down by Securities and Exchange Board of India (SEBI) are not applicable to the aforesaid transactions.

Progress of probe on Satyam scam

1068. SHRI VARINDER SINGH BAJWA: Will the Minister of CORPORATE AFFAIRS be pleased to state:

(a) the present status of investigations into Satyam Computers scam;

(b) the number of Chartered Accountantst/firms suspended/disqualified for audit duties and removed from the membership as Chartered Accountants, as a result of the investigations into the scam; and

(c) by when the final chargesheets are expected to be filed in the courts?

THE MINISTER OF STATE OF THE MINISTRY OF CORPORATE AFFAIRS (SHRI SALMAN KHURSHEED): (a) This Ministry, through Serious Fraud Investigation Office (SFIO), has filed prosecutions in respect of pure technical Company Law violations reported in the investigation report of SFIO. CBI on its part, after investigation, filed a chargesheet in the court on 7.4.09 against nine accused and after further investigation, filed a supplementary chargesheet on 24.11.09. A separate chargesheet was filed by the CBI on 7.1.2010 against the then Chairman, Managing Director, CFO and Vice President (Finance) for filing false Income Tax returns with fraudulent and dishonest intention of cheating the shareholders. The investigation in the matter is not yet complete because the issue of diversion of funds from the company in foreign countries is also under investigation which is a time consuming process.

(b) As per information supplied by the Institute of Chartered Accountants of India (ICAI), six members of ICAI are answerable for charges pertaining to Satyam. After preliminary investigation, the Director (Discipline) has found all the six members prima facie guilty and the matter is under inquiry by the Disciplinary Committee of ICAI. Regular hearings are being taken by the Disciplinary Committee and action against the members will depend upon the findings of the Disciplinary Committee.

(c) Further investigation regarding diversion of funds from the company is still in progress and as the matter has to be investigated in foreign countries also, so it is not possible to specify the possible date of completion of further investigation.

Central assistance for development projects

1069. SHRI VARINDER SINGH BAJWA: Will the Minister of DEVELOPMENT OF NORTH EASTERN REGION be pleased to state:

(a) the Central assistance given for the development projects in the north-eastern region of the country for 2007-08, 2008-09 and 2009-10, year-wise;

(b) the extent to which funds was utilized during 2007-08 and 2008-09 and whether the utilized funds were lapsed or carried over to the following years; and

(c) the steps taken/proposed to ensure that the funds sanctioned for particular years are actually utilized during the year so that proper development of the region is ensured?

THE MINISTER OF DEVELOPMENT OF NORTH EASTERN REGION (SHRI B.K. HANDIQUE): (a) and (b) The Ministry of DoNER releases central assistance to the North Eastern Region in the schemes Non-Lapsable Central Pool of Resources (NLCPR), Special Bodo Territorial Council (BTC) Package, Schemes under Special Fund for Infrastructure upgradation under the Social and Infrastructure Development Fund and through North Eastern Council (NEC).