

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4091
ANSWERED ON:09.08.2002
MANDATORY DISCLOSURES BY LISTED COMPANY
UMMAREDDY VENKATESWARLU

Will the Minister of FINANCE be pleased to state:

- (a) whether the Union Government propose to I ure that listed companies will have to disclose payments made to their directors from promoter families;
- (b) if so, the objectives of the Government in this datory requirement;
- (c) whether these guidelines also include limits in ries which will be paid to such family-origin directors;
- (d) whether any distinction is proposed to be drawn reen profit making concerns and loss making cons; and
- (e) if so, the details of the applicability of such datory disclosures?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANT GANGA RAM GEETE)

(a) to (e) Schedule VI of the Companies Act, 1956 (Part II: Para 4 and 4A) provides fodisclosure requirements for payments provided or made to directors by a company during the financial year. These provide, inter-alia, that details in respect of managerial remuneration uls 198 of the Companies Act, 1956, allowances, commission, perquisites, pensions etc. paid tol provided for directors of a company should be disclosed in the profit and loss account of the company every year. Through the listing agreement between stock exchanges and companies, the Securities and Exchange Board of India (SEBI) has prescribed that disclosures on the remuneration of directors shall be made in the section on corporate governance of the annual report.