

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3931
ANSWERED ON:03.12.2010
DISCLOSURE NORMS
Siricilla Shri Rajaiah

Will the Minister of FINANCE be pleased to state:

- (a) the norms/rules governing companies listed in the stock exchanges;
- (b) whether the Government proposes to introduce stringent disclosure norms for firms that plan to list on the stock market; and
- (c) if so, the details thereof and the views of the public and companies in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a): Companies listed on the stock exchanges are governed by the provisions of companies Act 1956, Securities and Exchange Board of India (SEBI) Issue of Capital and Disclosure Requirements (ICDR) Regulations, 2009, Securities Contracts (Regulation) Rules, 1957 and Listing Agreement signed with the concerned stock exchanges.

(b): The existing disclosure norms governing companies listed in the stock exchanges are robust.

(c): ICDR Regulations inter alia require disclosure about the risk factors associated with the issue, business of the issuer, capital structure of the issuer, financial information about the issuer, and details of material outstanding litigations. Listing Agreement inter alia mandates continuous disclosure requirements for the listed companies in respect of their periodical financial results, shareholding pattern, compliance with minimum public shareholding requirements and norms for corporate governance. Amendments are made in the Regulations when deemed necessary after consultations with companies, market participants and the public at large.