

**GOVERNMENT OF INDIA
FINANCE AND COMPANY AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:5036
ANSWERED ON:20.12.2002
DISCLOSURE NORMS FOR COMPANIES
IQBAL AHMED SARADGI

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

- (a) whether the market regulator SEBI has decided for strict disclosure norms for the companies;
- (b) if so, whether in an effort to bring in transparency for the common investors SEBI is launching an electronic data filing system for 200 companies;
- (c) if so, the details in this regard; and
- (d) to what extent they have been helpful?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO V. ADSUL)

(a) The market regulator, the Securities and Exchange Board of India (SEBI) has prescribed strict disclosure norms, for example, in the SEBI (Disclosure and Investor Protection) Guidelines, 2000 for companies making public issues; in the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and as part of corporate governance requirements. Further, SEBI has recently advised exchanges to amend the listing agreement requiring companies to disclose, inter-alia, audit qualifications and matters regarding buy back of securities.

(b) & (c) On 5th July 2002, SEBI launched an Electronic Data Information Filing and Retrieval System (EDIFAR) to facilitate electronic filing of information by listed companies, including financial statements, corporate governance reports, shareholding pattern statement, action taken against the company by any regulatory agency etc. This is an automated system for filing, retrieval and dissemination of time-sensitive corporate information which is now being filed physically with stock exchanges by listed companies. The system is being introduced in a phased manner and is at present applicable to 700 companies.

(d) This system has been launched recently. It has been effective in enhancing information dissemination; providing easy access to timely and accurate corporate information; and facilitating informed decision making, thereby enhancing transparency and efficiency in the securities markets.