

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

UNSTARRED QUESTION NO:4968
ANSWERED ON:20.12.2002
RULES FOR OPEN OFFER TO BUY SHARES
PRABHA RAU

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

- (a) whether the SEBI has evolved a policy to ensure that large companies follow certain rules when they make open offers to buy shares of other companies;
- (b) if so, the details of the policy;
- (c) whether the representatives of the industry have opposed the SEBI's recommendations;
- (d) if so, the details thereof;
- (e) whether some companies are violating these rules;
- (f) if so, the details thereof; and
- (g) the corrective steps taken by the Government in this regard?

Answer

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

- (a) & (b) The Securities & Exchange Board of India (SEBI) has framed the SEBI (Substantial Acquisition of Shares and Takeovers Regulations, 1997, for regulating takeover of management/substantial acquisition of shares/voting rights of an Indian listed company. The regulations were notified on February 20, 1997 and amended subsequently, from time to time.
- (c) & (d) SEBI has intimated that representatives of industry have not opposed the said regulations. Public comments/suggestions which are received on various provisions of the regulations from time to time are examined on an ongoing basis.
- (e), (f) & (g) : The companies/acquirers which do not comply with the requirements of the Takeover Regulations are liable for action under section 15A/15H of SEBI Act, 1992 and directions under section 11B of the Act, depending upon the nature of the violation.