

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3041
ANSWERED ON:02.08.2002
BHAGWATIPANEL REPORT
PUTTASWAMY GOWDA

Will the Minister of FINANCE be pleased to state:

- (a) whether the Bhagwati Panel on take over of companies has submitted its report;
- (b) if so, the details of recommendations made by the Panel; and
- (c) the steps Government have taken to implement the recommendations of the Panel?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANT G. GEETE)

- (a) The Committee on Substantial Acquisitions of Shares and Takeovers, reconvened by the Securities & Exchange Board of India (SEBI) under the Chairmanship of Justice (Retd.) P.N. Bhagwati, submitted its report to SEBI on 8th May 2002. This was placed on the SEBI website on 9th May 2002 and the public was given three weeks to send their comments.
- (b) The main recommendations of the Committee include, inter alia, disclosures at every stage when the acquirer crosses the limit of 5%, 10% and 14%; for acquirers holding 15% and above, purchases or sales at every 2% level should be disclosed; any acquisition by acquirers holding 75% and above should be in a transparent manner through open offers for acquiring minimum 20% shares; the average market price for the purpose of the Regulations may be calculated on the basis of 26 weeks or 2 weeks average, whichever is higher, preceding the date of public announcement.
- (c) SEBI has intimated that amendments to the SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 1997 are to be notified shortly.