

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4581
ANSWERED ON:23.12.2005
DEPOSITORY RECEIPTS ABROAD
Owaisi Shri Asaduddin;Tripathy Shri Braja Kishore

Will the Minister of FINANCE be pleased to state:

- (a) whether Government has amended American Depository Receipts (ADR)/Global Depository Receipts (GDR) norms to allow companies to go for simultaneous listing of their shares in the domestic and foreign markets ;
- (b) if so, the details thereof;
- (c) whether this step has been taken after continuous demand from the Indian Industry;
- (d) if so, whether these guidelines are on the guidelines of SEBI on the domestic issues; and
- (e) if so, the extent to which the Indian companies are likely to be benefited by issuing simultaneous listing of their companies ?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (S.S. PALANIMANICKAM)

(a to e): The scheme for `Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993 was notified to allow Indian companies to access the global capital markets. Revisions/modifications in the operative guidelines of the Scheme are made from time to time by the Government. The Government had amended the Scheme on 31st August 2005, inter-alia, to bring the ADR/GDR pricing guidelines in alignment with Securities and Exchange Board of India`s

(Disclosure and Investor Protection) Guidelines, 2000 and prior or simultaneous listing of unlisted companies seeking to access the above route for raising capital. The Scheme was also amended on 17th November 2005, wherein companies going in for an offering in the domestic market and a simultaneous or immediate follow on offering (within 30 days of domestic issue) through ADR/GDR issues wherein ADRs/GDRs are priced at or above the domestic price, would be permitted to do so. The above two amendments were undertaken to ensure that the SEBI (Disclosure and Investor Protection) Guidelines, 2000 are adhered to and to bring the ADR/GDR guidelines in alignment with SEBI`s guidelines on domestic capital issues.