

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:5259
ANSWERED ON:27.08.2010
DIVESTMENT PROCESS
Reddy Shri Magunta Srinivasulu

Will the Minister of FINANCE be pleased to state:

- (a) whether the I-bankers are to speed up divestment process;
- (b) if so, the complete details thereof; and
- (c) the main purpose behind it?

Answer

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

(a) to (c): As per SEBI Rules & Regulations for approaching the capital market through an initial public offering or a further public offering, one or more merchant bankers are required to be appointed and no public offering can be made without appointment of merchant bankers who are registered as such with SEBI. Merchant bankers carry out the due diligence to prepare the offer document which contains all the details about the company. They are also responsible for ensuring compliance with the legal formalities in the entire issue process and for marketing of the issue.