

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:4055

ANSWERED ON:03.12.2010

INCREASE IN SHARE VALUE OF COMPANY BEFORE PUBLIC ISSUE

Rama Devi Smt. ;Vasava Shri Mansukhbhai D.

**Will the Minister of FINANCE be pleased to state:**

- (a) whether share value of any company/group of companies is increases even before it is issued to the public;
- (b) if so, the details thereof and the reasons therefor for the last three years and the current year;
- (c) whether the Government has investigated the same;
- (d) if so, the outcome of such investigation;
- (e) if not, the reasons therefor; and
- (f) the reaction of the Government thereto?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a): The freedom to fix the issue price, floor price or price band rests with the issuer who normally does so in consultation with the Merchant banker. Before listing of Initial Public Offering (IPO) the International Securities Identification Number (ISIN) is frozen thereby preventing any form of transfer of these shares prior to their listing and commencement of trading.

(b) to (f): Not applicable in view of reply to (a) above.