

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1557
ANSWERED ON:04.03.2011
FUND COLLECTED THROUGH IPO
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Will the Minister of FINANCE be pleased to state:

- (a) whether a huge amount of money has been collected through Initial Public Offerings in Indian share market from several companies;
- (b) if so, the amount collected in this regard from 2006 till the end of 2010, year-wise;
- (c) whether keeping in view apprehensions of misuse of this money, Government and the agency with responsibility of regulating the market have taken certain steps; and
- (d) if so, the details thereof?

Answer

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

(a)& (b): The details of the funds collected through Initial Public Offers (EPOs) for the financial years 2006-07 to 2010-11 are as under:

Financial Year	Fund Raised (Rs. crore)
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2006-07	28504
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2007-08	42595
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2008-09	2083
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2009-10	24696
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2010-11 (till Dec`10)	34567
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(b) & (d): The concerned regulator has put in place a robust system to safeguard against the misuse of money collected through IPOs. Accordingly, issuers are required to take several measures including the following:

disclose the objects of the issue in the offer and the proposed utilisation of the issue proceeds,

disclose to the Audit Committee the uses / applications of funds on a quarterly basis,

furnish a fund utilisation statement before the Audit Committee on an annual basis for review till the money raised through the issue is fully utilised,

for fiind mobilisation over Rs. 500 crore, appoint a Monitoring Agency which is required to submit its report to the issuer on a half yearly basis for review by the Audit Committee and;

to furnish an explanation by way of advertisement and also provide the same in the Directors` Report in case there is any material variations between the proposed utilization of issue proceeds and the actual utilization.