

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4010
ANSWERED ON:26.08.2011
REFORMS BY SEBI
Mahto Shri Baidyanath Prasad

Will the Minister of FINANCE be pleased to state:

- (a) the details of reforms and improvements in the regulations of the stock market made by the Securities and Exchange Board of India (SEBI) during each of the last three years and the current year:
- (b) whether SEBI, the capital markets regulator increased the open offer size from 20 per cent to 26 per cent;
- (c) if so, the details thereof, the reasons therefor and the action taken or proposed to be taken by the Government in this regard; and
- (d) if not, the reasons therefor?

Answer

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

- (a) The reforms and improvements in the securities market made by Securities and Exchange Board of India (SEBI) during each of the last three years and the current year are provided at Annexure.
- (b) SEBI, on July 28, 2011, has decided to increase the minimum offer size from the existing 20 per cent to 26 per cent of the total issued Capital.
- (c) The Takeover Regulations Advisory Committee (TRAC) had, inter-alia, recommended that open offer be made for the entire outstanding shares of the public. There were public comments /concerns that an offer for the entire outstanding shares as against the current minimum 20 per cent of the share capital of the company, may make takeover offers very expensive. The Board, after careful consideration of the recommendation of TRAC as well as public comments, decided to increase the minimum open offer size from the existing 20 per cent to 26 per cent.
- (d) In view of reply to part (b) above, does not arise.