

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:2511  
ANSWERED ON:07.12.2012  
LAUNCHING OF IPO  
Singh Shri Sushil Kumar

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

- (a) whether it is a fact that an infrastructure wing of telecom operator is in the process to launch its IPO (Initial Public Offering) shortly;
- (b) If so, the details thereof;
- (c) whether Securities and Exchange Board of India (SEBI) has done its scrutiny on the IPO prospectus and are satisfied of its disclosures;
- (d) if so, the details thereof;
- (e) whether any complaints have been received by SEBI and other agencies on the proposed IPO; and
- (f) if so, the details of the same and the action taken by SEBI on the complaints?

**Answer**

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

(a) Yes Sir.

M/s. Bharti Infratel Ltd (BIL), telecommunication infrastructure wing and a subsidiary of M/s Bharti Airtel Ltd filed Draft Red Herring Prospectus (DRHP) with Securities and Exchange Board of India (SEBI) on September 14, 2012 for the proposed public issue of 188,900,000 equity shares.

(b) The details of the issue are as follows:

Name of Issuer Company      Bharti Infratel Ltd.

Name of the Coordinating Lead Manager      Standard Chartered Securities (India) Ltd

Date of incorporation      November 30, 2006

Type of issue      IPO [Fresh Issue + OFS] of 188,900,000  
equity shares {Fresh issue of 14,62,34,112  
shares OFS of 4,26,65,888 shares}

Type of Instrument      Equity Shares

Date of receipt of offer document      September 14, 2012

Fixed price/book built      Book built

Objects of the issue and funding      Offer for sale by Selling shareholders  
Requirements

Offer for sale by	No. of equity shares offered
Compassvale	30,046,400
GS Strategic	6,009,280
Anadale	3,605,568
Nomura	3,004,640

Eligibility Norms      Eligible under regulation 26(1) of the SEBI  
(ICDR) Regulations, 2009

Pre issue promoter holding as a %      86.09%  
of pre issue paid up capital

Post issue promoters holding as a %      79.42%  
of post issue paid up capital

Net Offer to the public (excluding promoters      10% (approx.)  
Contribution + firm allotment + reservations  
on Competitive basis etc.) as percentage of  
the Total the post issue paid up capital

(c) & (d) Yes Sir. On scrutiny of the DRHP, SEBI communicated its observations to BRLM as under

4. The present legal and regulatory framework is primarily based on disclosures. The draft offer document is required to contain all disclosures and undertakings specified in the Schedule II of the Companies Act read with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and also additional disclosures as deemed fit by Merchant Banker to enable investors to make an informed investment decision.

5. SEBI examines the draft offer document with an objective to enhance disclosures. The observations are then prepared and issued to the Lead Merchant Banker to incorporate necessary changes in the offer document in terms of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (ICDR).

6. Accordingly, SEBI scrutinized the DRHP to check whether the disclosures made therein are adequate or certain additional disclosures are required, in terms of the provisions of ICDR. Upon analysis, SEBI had advised the Book Running Lead Manager (BRLM), inter-alia, to add/update/modify certain disclosures as stated therein.

(e) & (f) SEBI received complaints in respect of the DRHP from 6 Hon'ble Members of Parliament (MP) and 3 other individuals. These were forwarded to the BRLM for necessary action. Thereafter, the complaints and replies received from the BRLM on the complaints were analyzed by SEBI. Wherever, there were requirements of additional disclosures, SEBI has advised the BRLM to make these disclosures in the DRHP