

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:270
ANSWERED ON:06.12.2013
RELAXATION OF ADR NORMS
Siricilla Shri Rajaiah

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has relaxed / proposes to relax American Depository Receipts (ADR) norms for Indian firms; and
- (b) If so, the details thereof and the reasons therefor along with its likely impact on the domestic market?

Answer

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

(a) Yes Sir.

(b): Unlisted companies have also been allowed to raise capital abroad without the requirement of prior or subsequent listing in India initially for a period of two years subject to some conditions. Such permission would facilitate greater capital availability to companies especially in sectors like infrastructure, where supply of domestic equity capital is limited and primary issuance is very low.

Government has also constituted a Committee to comprehensively review the Foreign Currency Convertible Bonds and Ordinary Shares (Through Deposit Receipts Mechanism) Scheme 1993.