

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2526

ANSWERED ON:04.12.2009

CLEARANCES FROM SEBI

Hegde Shri Anant Kumar;Singh Shri Rajiv Ranjan (Lalan)

Will the Minister of FINANCE be pleased to state:

- (a) whether the companies are required to take clearances from SEBI to mobilize money from India's stock markets;
- (b) if so, the details thereof;
- (c) whether the companies are required to submit information regarding their credentials in order to take such clearances from SEBI;
- (d) if so, the details thereof;
- (e) the average time taken in giving such clearance to the companies; and
- (f) the number of companies that had applied for clearances by the end of September,2009?

Answer

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

(a) & (b): SEBI does not clear or approve any issue and issuers are not required to take any clearance from SEBI for raising money. SEBI only issues its observations, if any, on the draft offer document regarding the disclosures made therein.

(c) & (d): Companies making public / right issues are required to make adequate disclosures in the offer document regarding risk factors associated with the issue, details of the business of the issuer, capital structure of the issuer, purpose of issue, details of management and promoters, financial statements of the issuer and its subsidiaries, outstanding litigations that may have material effect, approvals obtained for running business, details of proposed issue and other material information.

(e): According to extant regulations, SEBI is required to issue observations on draft offer document within a period of 30 days from the date of receipt of draft offer document or date of receipt of satisfactory reply to its queries from merchant bankers or any regulatory agency from where clarification or information was sought or receipt of in principle approval for listing by the issuer from stock exchanges.

(f): During the financial year 2009-10, 60 companies filed draft offer document with SEBI for public / right issues till September 30, 2009.