

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4892
ANSWERED ON:24.08.2001
PERMISSION TO RAISE EQUITY
PRAVEEN RASHTRAPAL

Will the Minister of FINANCE be pleased to state:

- (a) whether the SEBI has given permission to entertainment and media group of companies to raise equity through book building process at exorbitant prices without verifying their financial performance and track record;
- (b) if so, the names of companies given permission by SEBI during the last two years;
- (c) the price at which these companies were allowed to raise equity and state their current price of share;
- (d) whether small investors have lost huge money in these companies due to SEBI's nexus with the promoters of these companies;
- (e) if so, whether Government would entrust the cases of these companies to CBI; and
- (f) if not, the reasons therefor?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATH) :

- (a) Under the SEBI Disclosure and Investor Protection guidelines, all companies including entertainment and media group companies can avail of the book building process. Under the normal and the book building processes, companies can fix the prices and SEBI's approval is not needed. SEBI only examines for compliance with disclosure norms.
- (b) to (d) The information is being collected and will be laid on the Table of the House.
- (e) and (f) SEBI has intimated that the companies have complied with the disclosure guidelines and presently there is no case contemplated for reference to CBI.