

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1487
ANSWERED ON:16.07.2004
VALUATION OF INITIAL PUBLIC OFFERINGS
Mandlik Shri Sadashivrao Dadoba;Vijay Krishna Shri

Will the Minister of FINANCE be pleased to state:

- (a) Whether the Government propose to check the valuation of initial public offerings (IPO);
- (b) If so, the details thereof and if not, the reasons therefor; and
- (c) The other steps taken/being taken by the Government to enhance the functioning of market intermediaries and improve the infrastructure ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SH. S. S. PALANIMANICKAM)

(a) & (b) : No, Sir. As per the existent policy, the Government / SEBI is not involved in the pricing of issues or fixing premium on shares in issues. These are decided by the market. However, SEBI has stipulated detailed guidelines for disclosure and investor protection - SEBI (Disclosure & Investor Protection) Guidelines, 2000.

(c) : SEBI has constituted a high level task force named Securities Market Infrastructure Leveraging Expert Task Force (SMILE) to review the infrastructure of the intermediaries and to carry out a through `health check` on the securities market infrastructure encompassing all segments of the market. SEBI also reviews the regulations for intermediaries from the time to time so as to improve their overall functioning.