

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
RAJYA SABHA
QUESTION NO 02.03.2010
ANSWERED ON
FOREIGN INVESTORS

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Will the Minister of COAL, HEALTH AND FAMILY WELFARE, INFORMATION AND BROADCASTING, FINANCE be pleased to state :-

- (a) whether with foreign investors' appetite for Indian equities more than 50 companies are looking to pick up close to Rs.43000 crores through qualified institutional placements in quarter 2010;
- (b) if so, whether among firms in queue are Reliance Energy, Jet Airways, Adani Enterprises, Gammon India, Omax Technologies, Essar Oil, Tech Mahindra and Pune headquartered Bharat Forge; and (
- (c) if so, to what extent Government has given permission to invest in India by calling investors?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI NAMA NARAIN MEENA)

(a) Securities and Exchange Board of India (SEBI) has reported that for the quarter 2010 (period from January 2010 till date), six companies have raised money through Qualified Institutional Placements (QIP) route totaling to Rs. 2530.16 crore. Thirteen companies have taken approval from the stock exchanges to raise money through QIP route totaling approximate Rs.40033.62 crore but have not yet raised the money.

(b) SEBI has reported that amongst the names indicated in the question, Reliance Infrastructure Ltd.

(Reliance Energy Ltd. name changed to Reliance Infrastructure Ltd), Essar Oil Ltd. and Bharat Forge Ltd. have taken approval from the stock exchanges to raise money through QIP route but have not yet raised the money.

(c): To be able to engage in a QIP, companies need to fulfil certain criteria under the SEBI guidelines. The specified securities can be issued only to Qualified Institutional Buyer (QIB), who shall not be promoters or related to promoters of the issuer. The SEBI has defined a QIB as those institutional investors who are generally perceived to possess expertise and the financial muscle to evaluate and invest in the capital markets. SEBI guidelines identify SEBI registered Foreign Venture Capital Investors (FVCIs) & SEBI registered Foreign Institutional Investors (FIIs) as QIBs.