

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**LOK SABHA
UNSTARRED QUESTION NO. 3004
ANSWERED ON THURSDAY, THE 29th AUGUST, 2013
BHADRAPADA 7, 1935 (SAKA)**

**PRIVATE PLACEMENT ROUTES
QUESTION**

**3004. SHRI BHISMA SHANKER
ALIAS KUSHAL TIWARI:**

Will the Minister of CORPORATE AFFAIRS

कारपोरेट कार्य मंत्री

be pleased to state:

- (a) whether the Government is considering a crackdown on unlisted companies that have allegedly misused the private placement route to raise funds;**
- (b) if so, the details thereof;**
- (c) whether the Government is contemplating to make it mandatory for companies to file each placement individually with the Registrar of Companies (RoCs);**
- (d) if not, the reasons therefor;**
- (e) whether the Government is contemplating an upper limit on the number of private placements which a company can undertake in a given period of time;**
- (f) if so, the details in this regard;**
- (g) whether the Government has urged RoC to inspect the books of accounts of certain companies for alleged violation of norms of private placements; and**
- (h) if so, the names of these companies and the finding of the RoC with respect to them?**

ANSWER

**THE MINISTER OF STATE
(INDEPENDENT CHARGE)**

(SHRI SACHIN PILOT)

IN THE MINISTRY OF CORPORATE AFFAIRS

कारपोरेट कार्य मंत्रालय में राज्य मंत्री (स्वतंत्र प्रभार)

(श्री सचिन पायलट)

(a) to (h) Action against erring companies under the provisions of Companies Act, 1956 is a continuous process. Clause 42 of the Companies Bill, 2013 which has been passed by both houses of Parliament provides for invitation for subscription of securities on Private Placement. Rules making detailed procedural arrangements for raising funds through Private Placement will be displayed on website of the Ministry for inviting comments of the Public before same are notified.
