

## **ANNEXURE-6**

### ***HIGH PREMIUM PUBLIC ISSUES CALL UP OF THE ISSUE PRICE IN SUITABLE INSTALMENTS :<sup>1</sup>***

It has come to the notice of the Government that certain public companies making public issues through prospectus, intended for listing on the Stock Exchanges, had called for the full issue price alongwith the application. Such issues, particularly those at high premium, cause hardship to the small investors in more than one way.

In order to minimise the hardship to the smaller investors who are not in a position to block large amounts and to encourage more investors to participate in public issues, Government feel that the companies approaching the stock exchanges in respect of listing of issues at high premium should be instructed that in the case of public issues to be made at high premium, particularly in cases where 50% or more of the par value is charged as premium, not more than 50% of the issue price should be called with the application and the balance be called up not earlier than three months but not later than one year from the date of the issue.

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<sup>1</sup>[No F 1/8/SE/73 dt March 1<sup>st</sup>, 1993] [Also refer No F.1/28/SE/78 dt August 28, 1978]