

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1759

ANSWERED ON:19.11.2010

DISINVESTMENT OF MOIL

Majhi Shri Pradeep Kumar;Patel Shri Kishanbhai Vestabhai

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has approved the disinvestment of their 10 per cent stake from the Manganese Ore India Limited;
- (b) if so, the details in this regard;
- (c) whether the Government has made consultations with various other stakeholders;
- (d) if so, the details in this regard; and
- (e) the reaction of each of such stakeholders in this regard?

Answer

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

(a) Yes, Sir. The Cabinet Committee on Economic Affairs (CCEA) in its meeting held on 9th September, 2010 approved disinvestment of 10 per cent of paid up equity capital of MOIL Ltd. (Manganese Ore India Limited) out of the Government of India's shareholding, as per SEBI regulations.

(b),(c),(d) & (e) MOIL Ltd. is an unlisted Central Public Sector Enterprise meeting disinvestment policy parameters and therefore consultations were initiated by the Department of Disinvestment with the Ministry of Steel and it was mutually agreed that Government of India could disinvest apart of its shareholding in the company in the domestic market. The authorized capital of MOIL Ltd. is Rs. 250 crore of which the issued and subscribed equity capital as on 31.03.2010 is Rs. 168 crore. GOI holds 81.7% and balance is held by the State Governments of Maharashtra and Madhya Pradesh to the extent of 9.62% and 8.81% respectively. The Government of Maharashtra and Madhya Pradesh informed that they too had decided to disinvest 5% each of paid up equity capital in MOIL Ltd. from their respective shareholding and requested Department of Disinvestment that this may be done along with disinvestment process of the Government of India. Thus, the total offer for sale of shares in MOIL Ltd. is 20 per cent of paid up equity capital. Out of this total offer of 3,36,00,000 shares of face value of Rs.10 each, reservation of approximately 6,72,000 shares (2 per cent of the issue size) along with discount of 5 per cent on the offer price has been approved for the employees. Government has also approved discount of 5 per cent to retail investors on the issue price.