

**GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA**

UNSTARRED QUESTION NO:4065
ANSWERED ON:18.05.2006
MERGER OF MSAIL WITH MUL
Nayak Smt. Archana

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

- (a) whether the Government proposes to purchase the Maruti Suzuki Automobile India Limited (MSAIL) and merge it with Maruti Udyog Limited (MUL);
- (b) if so, the details thereof;
- (c) whether a five member panel has been constituted to evaluate the price of Suzuki stake in MSAIL; and
- (d) if so, the amount of investment involved in the MSAIL deal?

Answer

MINISTER OF STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SMT. KANTI SINGH)

(a) & (b): Maruti Udyog Ltd. (MUL) is a non-government company with 10.27% government share holding and the management control is with M/s. Suzuki Motor Corporation (SMC), Japan. The Board of Directors of MUL, at a meeting on 13.04.2006, had decided to merge Maruti Suzuki Automobile India Limited (MSAIL) with MUL.

(c) & (d): Yes, Madam. MUL Board had approved constitution of a panel of five Directors for the purpose of valuation of shares of MSAIL. The five member panel has recommended purchase of 1,200,000 number of MSAIL shares from SMC at the rate of Rs.100 per share (at par) aggregating Rs.12 crore. This has been approved by the MUL Board in their meeting on 26.04.2006.