

**GOVERNMENT OF INDIA
STEEL
LOK SABHA**

UNSTARRED QUESTION NO:3197
ANSWERED ON:15.03.2000
SALEM STEEL PLANT
NARESH KUMAR PUGLIA;SHYAMA SINGH

Will the Minister of STEEL be pleased to state:

- (a) whether some private sector steel companies have expressed their interest in forming a joint venture with SAIL for the Salem Steel Plant in Tamil Nadu;
- (b) if so, the details of such companies;
- (c) whether any condition have been laid down for private sector steel plants to form joint venture with SAIL;
- (d) if so, the details thereof; and
- (e) the extent to which the production of steel is likely to be increased after the joint venture ?

Answer

MINISTER OF STATE FOR STEEL
(SHRI DILIP RAY)

(a) & (b): Yes, Sir. The following private companies have offered their Expression of Interest (EOI) for participation in the proposed joint venture for Salem Steel Plant (SSP) of Steel Authority of India Limited (SAIL):

- TISCO, Jamshedupur - Jindal Strips, Delhi - Shah Alloys, Ahmedabad - SMS Demag, Germany - Avesta Sheffield, Sweden

(c) & (d): The pre-qualification criteria indicated in the advertisement issued by SAIL for seeking EOI envisaged that the strategic partner(s) should have:

- Sound technical, financial and managerial expertise in the area of stainless steel production.

- A minimum of ten years of consistent and proven experience in the production of quality stainless steel in different grades of AISI 300 and 400 series- particularly in 304 and 430 grades in hot rolled and cold rolled coils.

- Preferably, demonstrable experience of marketing stainless steel products in the international arena with a global network.

- Net worth in excess of Rs. 5,000 Million (Rupees five Thousand Million only) / US \$ 115 Million (US Dollars One Hundred & Fifteen Million only).

The advertisement also indicated that the Strategic Partner shall comply with SAIL's decision to absorb all personnel presently working in SSP, with full protection of their existing compensation packages and other service conditions, in case of joint venture through equity participation in Salem Steel Plant.

(e) SAIL has indicated that the extent to which the production of steel is likely to be increased in SSP will be known only after finalisation of the strategic alliance partner.