

**GOVERNMENT OF INDIA  
STEEL  
LOK SABHA**

UNSTARRED QUESTION NO:1240  
ANSWERED ON:01.08.2005  
ACQUISITION OF EQUITY STAKES BY SAIL  
Owaisi Shri Asaduddin

**Will the Minister of STEEL be pleased to state:**

- (a) whether Steel Authority of India Limited (SAIL) is planning to acquire equity stakes in overseas mines;
- (b) if so, the details thereof;
- (c) the number of companies under consideration of the Government proposed to be authorised to acquire equity;
- (d) the time by which a final decision is likely to be taken in this regard; and
- (e) the benefit likely to be derived by SAIL after acquiring equity in foreign companies?

**Answer**

MINISTER OF CHEMICALS & FERTILIZERS AND MINISTER OF STEEL (SHRI RAM VILAS PASWAN)

(a)&(b): The SAIL Board considered the proposal to invest in Tahmoor Coal Mine Pty. Ltd. of Austral Coal Limited, Australia. The proposal was not found to be financially viable and, therefore, was dropped. Another proposal for strategic partnership with BHP Billiton, Australia for development of coal reserves in Australia and iron ore reserves in India was considered by SAIL Board and approved.

(c) There is no company under consideration of the Government proposed to be authorised to acquire equity.

(d) Does not arise in view of (c) above.

(e) Availability of good quality good coal is an important requirement for both quality of hot metal and productivity of Blast Furnaces. Due to the inadequate availability of high grade low ash coking coal from domestic sources, SAIL is largely dependent on meeting its requirement of coking coal through imports. Acquiring equity stakes in overseas coking coal mines would help in ensuring security of supplies for SAIL for this critical raw material.