

**GOVERNMENT OF INDIA
STEEL
LOK SABHA**

UNSTARRED QUESTION NO:2178
ANSWERED ON:14.12.2004
STAKE IN OVERSEAS MINES OF SAIL
Badiga Shri Ramakrishna

Will the Minister of STEEL be pleased to state:

- (a) whether Steel Authority of India Ltd. (SAIL) is likely to sign an agreement to buy stake in coal mines abroad within an overseas coal mining company;
- (b) if so, the details thereof and the reasons therefor; and
- (c) the benefits likely to be derived therefrom?

Answer

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

(a) & (b) SAIL has plans to acquire equity stakes in overseas mines and is currently exploring the possibilities of forging strategic alliances with overseas coal mining companies. No equity stake has been taken in any overseas mine as yet.

(c) Availability of good quality coal is an important requirement for both quality of hot metal and productivity of Blast Furnaces. Due to inadequate availability of high grade low ash coking coal from domestic sources, SAIL is largely dependent on meeting its requirements 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.