

**GOVERNMENT OF INDIA
STEEL
LOK SABHA**

UNSTARRED QUESTION NO:1535
ANSWERED ON:07.08.2006
SETTING UP OF CEMENT PLANT
Oram Shri JuaI;Singh Shri Ganesh

Will the Minister of STEEL be pleased to state:

- (a) whether the Government is considering to establish cement plants in the country under any joint collaboration;
- (b) if so, the details thereof, State-wise and location-wise;
- (c) whether any agreement has been reached to establish a cement plant on Babupur Steel Authority Mines at Satna, Madhya Pradesh;
- (d) if so, the details thereof;
- (e) the percentage of share capital fixed under the agreement;
- (f) the estimated cost of the plants proposed; and
- (g) the time likely to be taken for setting up such cement plants?

Answer

MINISTER OF STATE IN THE MINISTRY OF STEEL (DR. AKHILESH DAS)

(a)to(d): The Government does not have any proposal to establish cement plants in the country under any joint collaboration. However, the Steel Authority of India Limited (SAIL), a public Sector undertaking (PSU) under the Ministry of Steel has identified M/s. Jaiprakash Associates Ltd. as a strategic partner for producing cement in a Joint Venture at Babupur (Madhya Pradesh) and Bhilai (Chhattisgarh). A letter of indent (LoI) has been issued to them on 26.06.06. The agreements are being firmed-up.

(e) M/s. Jaiprakash Associates Ltd. will have 74% equity, whereas SAIL will hold 26% equity in the proposed Joint Venture.

(f) The plant is expected to cost around Rs.600 Crores.

(g) The estimated time for setting up of the cement plant would be 37 months, after all necessary clearances.