

**GOVERNMENT OF INDIA  
MINES  
LOK SABHA**

UNSTARRED QUESTION NO:4815  
ANSWERED ON:23.05.2006  
ACQUISITION MERGER OF IAPL  
Gamang Shri Giridhar

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

- (a) the reasons for acquiring and merging Rolled Product Unit of International Aluminium Products Limited (IAPL), Angal, Orissa with NALCO;
- (b) the details of integrated facilities existed at smelter plant when the decision of acquisition and merger was taken by the NALCO;
- (c) whether the Government has assessed the advantage from this;
- (d) if so, the details thereof;
- (e) the details on the performance of Rolling Products Unit at the time of acquisition; and
- (f) the details of the expenditure incurred by NALCO for such acquisition?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF MINES (DR.T.SUBBARAMI REDDY)

(a) Prior to acquisition of International Aluminium Products Limited (IAPL), National Aluminium Company Limited (NALCO) was the only major aluminium producer in the country without value added products. It was envisaged that IAPL would facilitate NALCO to make down stream products of aluminium and become competitive.

(b) The integrated facilities which existed at Smelter Plant at the time of decision taken by NALCO for acquisition of IAPL were as follows:-

Products	Installed Capacity (Tonnes Per Year)
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Aluminium Standard ingots	2,15,000
Aluminium Wire Rods	1,00,000
Aluminium Billets	30,000
Aluminium Strip	26,000

(c) & (d) On achieving full capacity utilisation, IAPL will improve NALCO's financial performance.

(e) At the time of acquisition, IAPL was under construction stage.

(f) NALCO was holding 26% shares in the capital of IAPL before acquisition. It acquired balance 74% shares of IAPL at the cost of Rs. 57.72 crores by buying out the shares of the promoters and other shareholders of IAPL to make it 100% subsidiary.