

**LOK SABHA
UNSTARRED QUESTION NO.1308
FOR ANSWER ON 25/11/2019**

SALEM STEEL PLANT

1308. SHRI T.R. BAALU:

Will the Minister of STEEL be pleased to state:

- (a) whether it is a fact that the project of Steel Melting Shop (SMS) and the second Cold Rolling Mill Project as expansion plan of Salem Steel Plant (SSP) was commissioned in 2010, at an investment of Rs. 2200 crore and if so, the details thereof;
- (b) whether it is a fact that due to non-supply of raw material by sister concerns of SAIL, the production at SSP could not reach its full capacity and if so, the details thereof;
- (c) whether the Government is pursuing disinvestment leading to privatisation of Salem Steel Plant and if so, the details thereof and the reasons therefor;
- (d) whether the Government proposes to reverse its decision to privatise Salem Steel Plant and ensure supply of raw material to its subsidiary concern by SAIL so that the unit could become profitable in the immediate future; and
- (e) if so, the details thereof?

ANSWER

THE MINISTER OF STEEL

(SHRI DHARMENDRA PRADHAN)

(a) Steel Authority of India Limited (SAIL) has completed modernization & expansion plan at Salem Steel Plant in September, 2010 at an indicative revised cost estimates of Rs.2,371 crore to produce 180,000 tonnes per annum (TPA) of stainless steel slabs. Major facilities installed under Modernisation and Expansion Plan include the following:-

- Steel Melting Shop: Electric Arc Furnace (55T); AOD Converter (60T); Ladle furnace (60T); Single Strand Slab Caster;
- Hot Rolling Mill : Roll Grinder;
- Cold Rolling Mill Complex: Annealing and Pickling line; Coil Preparation Line; 20-high Sendzimir Mill; Skin Pass Mill; Tension Levelling Line; Slitting Line; Mixed Acid Recovery System; Rotary Polisher.

(b) No, Sir.

(c)to(e): Disinvestment of 100 percent shareholding of Salem Unit of Steel Authority of India Limited (SAIL) to strategic buyer identified through two-stage auction process was approved by the Cabinet Committee on Economic Affairs on 27th October, 2016.

The global invitation for Expression of Interest (EOI) has been issued by SAIL on 4th July, 2019 from interested bidders and opened on 10th September, 2019. As per the qualification criteria mentioned in the EOI, the bidder should have prior experience in the core sectors and is required to bring in technology, efficiency and investment in steel making in this Unit. This would lead to creation of more jobs and consequent prosperity in the region. This would also give fillip to downstream industries in the region.
