

LOK SABHA
UNSTARRED QUESTION NO.4136
FOR ANSWER ON 27/03/2017

DISINVESTMENT OF SAIL PLANTS

4136. SHRI A. ARUNMOZHITHEVAN:
SHRI PRATHAP SIMHA:
ADV. M. UDHAYAKUMAR:
SHRI TAMRADHWAJ SAHU:

Will the Minister of STEEL be pleased to state:

- (a) whether the Government has given in principle approval for strategic disinvestment of certain plants of Steel Authority of India Limited (SAIL);
- (b) if so, the details thereof including the modalities being worked out in this regard, plant-wise;
- (c) whether the Government will hold auction to identify strategic buyers for SAIL subsidiaries - Bhadravati, Durgapur and Salem in the coming months, if so, the details thereof;
- (d) whether the Government has examined the viability of ailing steel PSUs in the country; and
- (e) if so, the details thereof along with the corrective steps taken/proposed to be taken by the Government in this regard?

ANSWER

THE MINISTER OF STATE FOR STEEL

(SHRI VISHNU DEO SAI)

(a)to(c): The Government has accorded 'in-principle' approval for strategic disinvestment for SAIL's three units i.e. Visveswaraya Iron and Steel Plant (VISP), Bhadravati, Salem Steel Plant (SSP), Tamil Nadu and Alloy Steel Plant (ASP), Durgapur. These three units of Steel Authority of India Limited (SAIL) have been consistently making losses. The entire process of the strategic disinvestment would be carried out with the help of a Transaction Adviser (TA), a Legal Adviser (LA) and an Asset Valuer (AV). The Request for Proposal (RFP) for appointment of TA, LA and AV have been uploaded on SAIL website.

(d)&(e): Government is aware of the problem being faced by the steel sector. In order to protect the steel sector from unfair competition and improve its performance, the following steps have been taken by the Government:-

- (i) Government has notified Mines And Minerals (Development And Regulation) Amendment Act, 2015 to streamline grant of Mining Leases in order to maintain sufficient availability of raw materials for various sectors including steel sector.
- (ii) Increased peak rate of Custom Duty on steel to 15%. Effective rate of import duty was increased in phases to 10% on Long products and 12.5% on Flat products from pre-revised level of 5% and 7.5% respectively.

- (iii) Against a petition by the domestic steel producers, Safeguard duty on HR Coils of 20% notified in September, 2015 provisionally and final notification issued for the same in March, 2016 extending 20% Safeguard duty up to September, 2016. Thereafter, phased reduction to 18% (till March, 2017), 15% (till September, 2017) and 10% by March, 2018.
- (iv) The Government of India notified Minimum Import Price (MIP) on select steel products (05.02.2016) and further extended it on certain steel products for two months with effect from 05.08.2016 and again for two months with effect from 05.10.2016.
- (v) Provisional Anti-dumping duty notified on import of flat products (Hot Rolled & Cold Rolled) and on Wire Rods from China, Japan, Korea, Russia, Brazil, Indonesia & Ukraine vide notifications dated 08.08.2016, 17.08.2016 and 02.11.2016.
