

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF INVESTMENT AND PUBLIC ASSET MANAGEMENT
(DIPAM)

LOK SABHA
UNSTARRED QUESTION No.2192
TO BE ANSWERED ON MONDAY, AUGUST 2, 2021
SRAVANA 11, 1943 (SAKA)

Revival of RINL

2192. SHRI LAVU SRI KRISHNA DEVARAYALU:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has agreed to disinvest its stake in the Rashtriya Ispat Nigam Limited (RINL) and if so, the details thereof;
- (b) whether the Government has taken note of the concerns of the workers;
- (c) if so, the details of the Government's meetings with the workers and its response on the concerns;
- (d) whether the Government has taken note of the suggestion of Andhra Pradesh Government to revive the plant and if so, the details thereof; and
- (e) whether the Government has explored the options to revive the plant by allotting a captive mine or through financial restructuring and if so, the details thereof?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(DR. BHAGWAT KISHANRAO KARAD)

- (a):** The Cabinet Committee of Economic Affairs (CCEA), in its meeting held on 27.01.2021, have accorded 'in-principle' approval for 100 % disinvestment of Government of India (GOI) shareholding in Rashtriya Ispat Nigam Limited

(RINL) (also called Visakhapatnam Steel Plant or Vizag Steel) alongwith RINL's stake in its Subsidiaries/Joint Ventures through strategic disinvestment by way of privatisation.

(b)&(c): In all cases of strategic disinvestment/privatisation, while deciding the terms and conditions of the strategic sale, legitimate concerns of the existing employees and other stakeholders are suitably addressed through appropriate provisions made in the Share Purchase Agreement (SPA)/ Business Transfer Agreement (BTA).

(d)&(e): The Government has introduced New Public Sector Enterprise (PSE) Policy for Atmanirbhar Bharat which has been notified on 4th February, 2021 and is applicable to Central Public Sector Enterprises (CPSEs), Public Sector Banks (PSBs) and Public Sector Insurance Companies (PSICs). As per this policy, existing Public Sector Enterprises have been broadly classified under Strategic and Non-strategic Sectors (PSEs). It has also been laid down that in strategic sectors, only a bare minimum presence of the existing PSEs at Holding Company level will be retained under Government control. The remaining enterprises in strategic sector will be considered for privatisation or merger or subsidiarization with another CPSEs or for closure. PSEs in the non-strategic sectors shall be considered for privatisation, where feasible, otherwise such enterprises shall be considered for closure. Steel manufacturing falls in the non-strategic sector.

There is no proposal to review the decision of the Government in relation to RINL.
