

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

LOK SABHA  
UNSTARRED QUESTION No.3453  
TO BE ANSWERED ON MONDAY, DECEMBER 20, 2021  
Agrahayana, 29, 1943 (SAKA)

**Privatisation of Visakhapatnam Steel Plant**

3453. SHRI TALARI RANGAIAH:  
SHRIMATI GODDETI MADHAVI:  
SHRI KURUVA GORANTLA MADHAV:  
SHRIMATI CHINTA ANURADHA:

Will the Minister of FINANCE be pleased to state:

- (a) Whether the Government has planned to privatise Vishakapatnam Steel Plant;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether the Government is aware that the State Assembly of Andhra Pradesh and Greater Vishakapatnam Municipal Corporation have adopted resolution against the sale of the said steel plant; and
- (d) if so, the details thereof and the reasons for not caring the people's wishes and Assembly resolutions?

**ANSWER**

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

**(a) & (b):**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.

**(c) & (d):** The Government is aware of the resolution passed by the Andhra Pradesh Legislative Assembly (APLA) against the decision to divest GOI's shareholding in RINL. However, Government has taken the decision earlier for strategic disinvestment, as it will lead to infusion of capital for optimum utilization, expansion of capacity, infusion of technology and better management practices. This will result in higher production and productivity and expansion of direct and indirect employment opportunities. While deciding the terms and conditions of strategic sale, legitimate concerns of existing employees & other stakeholders are suitably addressed through appropriate provisions made in the Share Purchase Agreement (SPA).

Further, Government has brought New Public Sector Enterprise (PSE) Policy for Atmanirbhar Bharat which has been notified on 4<sup>th</sup> 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 (PSEs) have been broadly classified under Strategic and Non-strategic Sectors. 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.

\*\*\*\*\*