

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

**LOK SABHA**

**UNSTARRED QUESTION No.170**

TO BE ANSWERED ON MONDAY, JULY 18, 2022

Ashadha Chaitra 27, 1944 (Saka)

**Disinvestment of RINL**

**170. SHRI RAM MOHAN NAIDU KINJARAPU:**

Will the Minister of FINANCE be pleased to state:

- (a) the details of the basis on which the decision to divest 100 per cent of Rashtriya Ispat Nigam Limited (RINL) was taken;
- (b) whether the disinvestment decision was based on recommendations of the NITI Aayog and if so, the details of the NITI Aayog study/report;
- (c) whether 100 per cent disinvestment of major steel PSU like RINL is not a violation of disinvestment policy of retaining PSUs in the strategic sector;
- (d) If so, the details of the final list of PSUs in each of the strategic sectors that will not be disinvested or privatized but retained by the Government;
- (e) The detailed explanation of the way this list was arrived at; and
- (f) The basis on which RINL was left out of that list and the details of stakeholders involved in making and also finalizing that list?

**ANSWER**

MINISTER OF STATE IN THE MINISTRY OF FINANCE

(DR. BHAGWAT KISHANRAO KARAD)

**(a) to (f):** The Cabinet Committee of Economic Affairs (CCEA), in its meeting held on

27.01.2021, had 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. The NITI Aayog along with other concerned Ministries/Departments of Government of India were consulted while taking the decision for strategic disinvestment of Rashtriya Ispat Nigam Limited (RINL). Further, the Government had introduced 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. The decision of the Government to privatize Rashtriya Ispat Nigam Limited (RINL) is in line with the New PSE Policy.

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