

GOVERNMENT OF INDIA
MINISTRY OF STEEL

LOK SABHA
UNSTARRED QUESTION NO. 476
FOR ANSWER ON 03.02.2026

CONCERNS REGARDING SALEM STEEL PLANT

476. DR. T SUMATHY ALIAS THAMIZHACHI THANGAPANDIAN:

Will the Minister of STEEL be pleased to state:

- (a) whether the Government has considered the concerns regarding possible disinvestment or stagnation of the Salem Steel Plant, which supports over 2,000 direct jobs;
- (b) whether any expansion or modernisation funds have been allocated to the Salem Steel Plant in recent years;
- (c) the reasons for Tamil Nadu not being included in joint venture or expansion proposals, including the JSW–SAIL collaboration, despite the State's production potential;
- (d) whether incentives under the Production Linked Incentive (PLI) Scheme for Speciality Steel have been extended to units in Tamil Nadu; and
- (e) the steps taken to ensure equitable regional distribution of steel sector investments?

ANSWER

THE MINISTER OF STATE IN THE (SHRI BHUPATHIRAJU SRINIVASA VARMA)
MINISTRY OF STEEL

(a)&(b): Based on recommendations of the Core Group of Secretaries on Disinvestment (CGD), in respect of the strategic disinvestment of Salem Steel Plant (SSP), Salem; the Alternative Mechanism (AM) approved that the existing Expression of Interest (EoI) issued for Strategic Disinvestment of Salem Steel Plant (SSP), Salem on 04.07.2019 be annulled due to lack of interest of shortlisted bidders.

Department of Investment and Public Asset Management (DIPAM), on 01.06.2022, conveyed Cabinet's decision of 18.05.2022, empowering Boards of parent Public Sector Enterprises (PSEs) to undertake transactions for strategic disinvestment of their units, where 'in-principle' approval has been accorded by the Cabinet Committee of Economic Affairs (CCEA).

Steel Authority of India Limited (SAIL) has taken steps to enhance profitability of Salem Steel Plant by undertaking operational improvements in the areas of power, fuel, manpower, metal recovery, and yield.

(c)to(e): Steel is a de-regulated sector and the role of the Government is to facilitate the Steel Industry by creating a conducive policy environment for the development of steel sector in the country including Tamil Nadu. Incentives under the Production Linked Incentive (PLI) Scheme for Specialty Steel are applicable uniformly across the country.