

LOK SABHA
UNSTARRED QUESTION NO.831
FOR ANSWER ON 23/07/2018

PRIVATISATION OF SALEM STEEL PLANT

831. DR. C. GOPALAKRISHNAN:
SHRI P. NAGARAJAN:

Will the Minister of STEEL be pleased to state:

- (a) whether the Government has any proposal to privatise the profit making 'Salem Steel Plant';
- (b) if so, the details thereof and the reasons therefor;
- (c) the time by which the said proposal is likely to be approved; and
- (d) the details of the profit earned by this plant during each of the last three years?

ANSWER

THE MINISTER OF STATE FOR STEEL

(SHRI VISHNU DEO SAI)

(a)to(c): Yes, Madam. Cabinet Committee on Economic Affairs in its meeting held on 27th October, 2016 had given 'in-principle' approval for strategic disinvestment of Salem Steel Plant. NITI Aayog in its report has stated that it has been guided by the basic economic principle that the Government should not continue to engage itself in manufacturing/producing goods and services in sectors where the competitive markets have come of age, and that such entities would perform better in the private hands due to various factors e.g. technology up-gradation and efficient management practices. NITI Aayog has classified CPSEs into "high priority" and "low priority" based on: (i) National Security, (ii) Sovereign function at arm's length, and (iii) Market Imperfections and Public Purpose, for the purpose of strategic disinvestment. The CPSEs falling under "low priority" are presently covered for Strategic Disinvestment.

(d) The details of the profit/loss earned by the Salem Steel Plant during each of the last three years is attached as **Annexure**.

Annexure

Profit/Loss earned by Salem Steel Plant (SSP) for the last three years:

Items	Financial Year (FY) Unit: (Rs. Crore)		
	2015-16	2016-17	2017-18
Profit Before Tax (PBT)/Loss(-)	-462	-235	-211