

GOVERNMENT OF INDIA
MINISTRY OF STEEL

RAJYA SABHA
STARRED QUESTION NO. *119
FOR ANSWER ON 13/02/2023

CLOSURE OF UNITS OF SAIL

*119 SHRI SANJAY SINGH:

Will the Minister of STEEL be pleased to state:

- (a) whether it is a fact that Steel Authority of India Limited (SAIL) is closing many of its units;
- (b) if so, the reasons therefor and the details thereof, and the number of employees working in these units;
- (c) whether it is a fact that the reason behind Bhilai Steel Plant and other units running in losses is due to old machines and obsolete technology;
- (d) if so, the steps taken by Government to modernize and improve the financial condition of these units during the last three years; and
- (e) the amount spent by Government for the said purpose?

ANSWER

THE MINISTER OF STEEL

(SHRI JYOTIRADITYA M. SCINDIA)

(a)to(e): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (A) TO (E) OF THE RAJYA SABHA STARRED QUESTION NO. *119 FOR ANSWER ON 13TH FEBRUARY, 2023 TABLED BY SHRI SANJAY SINGH, MEMBER OF PARLIAMENT REGARDING CLOSURE OF UNITS OF SAIL

(a)&(b): Steel Authority is closing only Visveswaraya Iron & Steel Plant (VISP) in accordance with the decision of Government. The Government accorded 'in principle' approval for strategic disinvestment of Visveswaraya Iron & Steel Plant (VISP) in October 2016. Subsequently, due to inability expressed by the shortlisted bidders to participate further in the transaction for Strategic Disinvestment, the Competent Authority has approved annulment of Expression of Interest (EOI) for disinvestment and has directed for initiation of process for closure of Visveswaraya Iron & Steel Plant, Bhadravati, and the same has been conveyed vide Office Memorandum of Department of Investment and Public Asset Management (DIPAM) dated 14/10/2022. Accordingly, the process of closure of Visveswaraya Iron & Steel Plant, Bhadravati has been initiated as per Office Memorandum of Department of Public Enterprises dated 31/10/2022.

As on 01/02/2023 there are 267 regular employees on roll of VISP.

(c) All Plants of Steel Authority of India Limited(SAIL), except Visveswaraya Iron & Steel Plant, Bhadravati (VISP) & Alloy Steels Plant, Durgapur (ASP), have made profit in 2021-22.

The main reasons for losses incurred by these units namely VISP & ASP are as under:-

VISP:

- High cost and low volume of production due to obsolete technology
- High cost of raw materials i.e., coke and iron ore
- Highly competitive alloy steel market
- Lack of operational captive iron ore mine in Karnataka

ASP:

- Higher cost of production mainly due to obsolete technology and low volume of production.
- Low yield due to lack of use of continuous casting facility

(d)&(e): During last three years, Expression of Interest (Eoi) for strategic disinvestment were invited to induct strategic partner/buyer with technology, funds and efficient management.
