

GOVERNMENT OF INDIA
MINISTRY OF STEEL

RAJYA SABHA
UNSTARRED QUESTION NO.3820
FOR ANSWER ON 28/03/2018

**RATIONALE BEHIND STRATEGIC DISINVESTMENT OF SAIL
UNITS**

3820. SHRI SANJAY SINGH:

Will the Minister of STEEL be pleased to state:

- (a) whether it is a fact that, although global oversupply of steel and demand regression started in 2012, Government was late in taking appropriate safeguard measures only in February, 2016, by which time, damage was already done to Indian steel industry;
- (b) whether it is also a fact that Indian steel industry is stressed like Telecom industry; and
- (c) if so, rationale behind strategic disinvestment of three SAIL units, Salem Steel Plant, Visveswaraya Iron and Steel Plant (VISP) and Chandrapur Ferro Alloy Plant on one hand and opening of 11 new Steel Processing Unit (SPU) by SAIL in non-steel producing States?

ANSWER

THE MINISTER OF STATE FOR STEEL

(SHRI VISHNU DEO SAI)

(a) Global over supply of steel and demand regression started to show effects in India during FY 2014-15 when imports of total steel (Alloy + Non Alloy) increased by 75.5%. The Government of India accordingly increased the peak rate of basic Customs Duty to 15% from 10% in the Union Budget 2015-16. Government also took trade remedial measures like imposition of Anti Dumping Duty (ADD), Safeguard Duty (SD), Minimum Import Price (MIP), Countervailing Duty (CVD) and issue of Quality Control Orders to prevent import of substandard products.

(b)&(c): A few steel companies who are in substantial debt have been referred to National Company Law Tribunal (NCLT). Strategic disinvestment of following three units of SAIL is being done on the basis of In-principle approval of the Cabinet Committee on Economic Affairs (CCEA) in October, 2016:

1. Salem Steel Plant (SSP);
2. Visveswaraya Iron and Steel Plant (VISP); and
3. Alloy Steel Plant Durgapur (ASP).

These units are not getting closed but the intention is to improve the performance by inducting strategic partner with technology, funds and efficient management.
