

**GOVERNMENT OF INDIA
STEEL
LOK SABHA**

STARRED QUESTION NO:452
ANSWERED ON:26.04.2000
SALE OF STEEL PLANTS
ANANT GANGARAM GEETE;TILAKDHARI PRASAD SINGH

Will the Minister of STEEL be pleased to state:

- (a) Whether Steel Authority of India Limited (SAIL) has decided to sell-off seven of its ventures;
- (b) If so, the details thereof and reasons therefor;
- (c) whether SAIL has prepared a blue print for the sell-off and set up a High Powered BoardSub-Committee to restructure the remaining business activities comprising four steel plants;
- (d) if so, the estimate of the value of activities slated for the sell-off; and
- (e) the steps being taken by the SAIL to come out of the red ?

Answer

MINISTER OF STATE FOR STEEL (SHRI DILIP RAY)

(a) to (e): A Statement is laid on the Table of the Lok Sabha.

STATEMENT REFERRED TO IN REPLY TO PARTS (A) TO (E) OF LOK SABHA STARRED QUESTION NO.452 ANSWERED ON 26TH APRIL, 2000 TABLED BY S/SHRI TILAKDHARI PRASAD SINGH AND ANANT GANGARAM GEETE REGARDING SALE OF STEEL PLANTS

(a) to (d): In view of its unsatisfactory liquidity position, and with a view to having long term competitive positioning, SAIL has decided to concentrate on its core business and to separate the activities/units which are non-core and ancillary to its main business.

Accordingly, SAIL has initiated the process of conversion of the following assets into joint ventures while protecting the jobs of the workers:

- i) Power Plants at Bokaro, Durgapur and Rourkela
 - 2x60 MW Captive power plant - II at Rourkela Steel Plant and the Central Power Training Institute at Rourkela
 - 2x50 MW Captive power plant - II at Durgapur Steel Plant
 - 122 MW (2x55 MW + 12 MW back pressure turbine) Captive Power Plant - I, 3x60 MW Captive Power Plant - II and steam generating capacity of 660 MT/hour at Bokaro Steel Plant
- ii) Oxygen Plant - II of Bhilai Steel Plant
- iii) Salem Steel Plant (SSP), Salem
- iv) Alloy Steels Plant (ASP), Durgapur
- v) Visvesvaraya Iron & Steel Plant (VISL), Bhadravati
- vi) Fertilizer Plant at Rourkela
- vii) Indian Iron and Steel Company (IISCO).

SAIL has drawn up a time table for the conversion process. SAIL has also set up a sub-Committee of the Board of Directors to examine the restructuring of the business activities of the 4 integrated steel plants. The value of the above listed assets would be known only after the completion of the assessment by the Merchant Bankers.

(e) Steps taken by SAIL to come out of the red include inter alia financial restructuring, rightsizing of the organisation, reduction in operating costs, change in market strategy and reprioritising of capital expenditure.