

**GOVERNMENT OF INDIA  
STEEL  
LOK SABHA**

UNSTARRED QUESTION NO:1893  
ANSWERED ON:05.08.2010  
DISINVESTMENT IN SAIL AND RINL  
Das Shri Khagen;Naranbhai Shri Kachhadia

**Will the Minister of STEEL be pleased to state:**

- (a) whether the Government proposes disinvestment in Steel Authority of India Ltd. (SAIL) and Rashtriya Ispat Nigam Ltd. (RINL);
- (b) if so, the details thereof and the reasons therefor;
- (c) the steps proposed to be taken by the Government to prevent the retrenchment of employees;
- (d) whether there is likely to be adverse effect in the growth of public sector steel industry in the country due to such disinvestment; and
- (e) if so, the details thereof and measures taken by the Government to control such situation?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF STEEL(SHRI A. SAI PRATHAP)

(a)&(b): The Government has decided to disinvest 10% of its shareholding in Steel Authority of India Ltd. (SAIL) and for raising of 10% of additional equity by SAIL, in two discrete tranches to be issued at appropriate times in consideration of SEBI guidelines and prevailing market conditions. The disinvestment of Government of India's shareholding in SAIL is in line with the Government's policy to develop larger people's ownership of Central Public Sector Enterprises with Government retaining majority shareholding and control. As regards, Rashtriya Ispat Nigam Ltd. (RINL), no decision has been taken by the Government so far for any disinvestment.

(c) There are no plans for any retrenchment of employees.

(d) No, Madam. Disinvestment would lead to larger public ownership and thereby facilitate greater accountability and market discipline.

(e) Does not arise.