

**GOVERNMENT OF INDIA
STEEL
LOK SABHA**

UNSTARRED QUESTION NO:535
ANSWERED ON:09.12.2013
VISVESVARAYA IRON AND STEEL PLANT
Raghavendra Shri B. Y.

Will the Minister of STEEL be pleased to state:

- (a) the details of the initiatives taken and investments made by the Government for the development and modernisation of the Visvesvaraya Iron and Steel Plant (VISP) in Bhadravathi after its merger with the Steel Authority of India Limited (SAIL);
- (b) whether SAIL has invited any expression of interest from interested parties to run VISP in a joint venture and if so, the details thereof and the reasons therefor;
- (c) whether the Government has taken note of the concerns expressed by the employees of VISP and other public representatives over the said move being initiated by SAIL;
- (d) if so, the details thereof along with measures taken/being taken by the Government to address the same; and
- (e) the total quantity of finished saleable steel goods lying at VISP along with the efforts made by the Government and the Central Marketing Organisation of SAIL to market and sell the goods produced at VISP during the last six months?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF STEEL (SHRI BENI PRASAD VERMA)

- (a) At Visvesvaraya Iron and Steel Plant (VISP), Bhadravati, Steel Authority of India Limited (SAIL) is continually investing for overall growth & improving profitability of the Plant. SAIL has already implemented a 350x350 mm single strand bloom caster with 1,25,000 T annual capacity at an investment of around Rs.80 crore. Further, one 30T Pusher type Reheating Furnace for Primary Mill costing about Rs.10 crore has also been implemented.
- (b) SAIL has invited Expression of Interest (EOI) from interested parties willing to enter into a Joint Venture with Steel Authority of India Limited (SAIL) for manufacture of steel and related products at VISP, Bhadravati, Karnataka, India. SAIL, intends to induct a Strategic Alliance Partner (SAP) to form a Joint Venture (JV) Company which shall carry on the business relating to VISP. VISP has been incurring losses for the last few years. In view of the above, feasibility of revival of VISP by induction of a JV partner is being explored for which EOI has been issued.
- (c)&(d) Letters/Representations have been received from some MPs, MLAs and the unions of employees of VISP, after issuance of the EOI. The concerns raised have been taken note of by the management.
- (e) The total finished saleable stock of VISP materials as on 01-11-2013 is 31,517 tonnes, of which 30,639 tonnes is lying at the Plant and balance 878 tonnes at the Warehouses. Due to the high production cost at VISP owing to the lack of linkages of iron ore and coal as well as inefficient technology, the overall sales performance of VISP materials has declined during the first six months of this financial year. Poor demand from units consuming alloy steels materials has aggravated the situation for this industry as a whole, wherein overall capacity utilization has been at the level of 55-60%.