

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF INVESTMENT AND PUBLIC ASSET MANAGEMENT
(DIPAM)

LOK SABHA
STARRED QUESTION No.*189
TO BE ANSWERED ON MONDAY, MARCH 8, 2021
17 FALGUNA, 1942 (SAKA)

DISINVESTMENT OF VISAKHAPATNAM STEEL PLANT

*189. SHRIMATI GODDETI MADHAVI:

SHRI M.V.V. SATYANARAYANA:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has given in principle approval for disinvestment of Visakhapatnam Steel Plant in Andhra Pradesh;
- (b) if so, the details thereof;
- (c) whether the Government has considered the ramifications of the step on the stakeholders involved including impact on jobs of employees and if so, the details thereof;
- (d) whether the Government intends to provide support to Andhra Pradesh for the due revival of the said project; and
- (e) if so, the details thereof?

ANSWER

THE MINISTER OF FINANCE

(Smt. NIRMALA SITHARAMAN)

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

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF LOK-SABHA STARRED QUESTION No.*189 TO BE ANSWERED ON MONDAY MARCH 8, 2021 REGARDING **“DISINVESTMENT OF VISAKHAPATNAM STEEL PLANT”**

(a)-(b): The Cabinet Committee of Economic Affairs (CCEA), in its meeting held on 27.01.2021, has accorded ‘in-principle’ approval for 100 % disinvestment of Government of India (GOI) shareholding in Rashtriya Ispat Nigam Limited (RINL) (also called Visakhapatnam Steel Plant or Vizag Steel) alongwith RINL’s stake in its Subsidiaries/Joint Ventures through strategic disinvestment by way of privatisation.

(c): Strategic disinvestment of Government of India’s equity will lead to infusion of capital for optimum utilisation, expansion of capacity, infusion of technology and better management practices. This will result in higher production and productivity and expansion of direct and indirect employment opportunities.

While deciding the terms and conditions of the strategic sale, legitimate concerns of the existing employees and other stakeholders are suitably addressed through appropriate provisions made in the Share Purchase Agreement (SPA).

(d)-(e): The State Government does not have any equity in RINL. However, the State Government is consulted in specific matters as and when needed and their support is also solicited in the matters that require their intervention.
