

GOVERNMENT OF INDIA
MINISTRY OF STEEL

RAJYA SABHA
STARRED QUESTION NO. *208
FOR ANSWER ON 09/08/2024

PRIVATIZATION OF STEEL PSUs

*208. Dr. Sasmit Patra:

Will the Minister of STEEL be pleased to state:

- (a) details of plan for privatization of steel Public Sector Undertakings (PSUs) in the country;
- (b) the details of the plan for equity sale, if any, of these steel PSUs;
- (c) the reasons for the plan for privatization/equity sale of these steel PSUs; and
- (d) the degree of impact it would have on the job security and benefits to the employees of these PSUs?

ANSWER

MINISTER OF STEEL

(SHRI H.D.KUMARASWAMY)

(a)&(d): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (A) TO (D) OF THE RAJYA SABHA STARRED (*) QUESTION NO. *208 FOR ANSWER ON 09/08/2024 TABLED BY Dr. SASMIT PATRA, MEMBER OF PARLIAMENT REGARDING “PRIVATIZATION OF STEEL PSUs”

(a)to(d): The Government [(Cabinet Committee on Economic Affairs (CCEA)] accorded 'in-principle' approval for Strategic Disinvestment of Public Sector Enterprises (PSE)/units of PSE in 2016, for which the process was initiated by the Department of Investment and Public Asset Management (DIPAM), Ministry of Finance. The current status of the transactions for the PSEs under Ministry of Steel is given below:-

S.No.	Name of PSE	Status
1.	Units of Steel Authority of India Limited -	The CCEA on 27.10.2016 approved strategic disinvestment of three units of Steel Authority of India Limited (SAIL).
	a. Alloy Steel Plant (ASP), Durgapur	Expression of Interest (Eoi) issued twice on the transaction. First Eoi was annulled as Interested Bidders did not qualify as per the Technical Eligibility Criteria. No response was received from bidders on the second time.
	b. Salem Steel Plant, Salem	Eoi process has been annulled due to lack of interest of Shortlisted Bidders.
	c. Visvesvaraya Iron and Steel Plant, Bhadravathi	Eoi process has been annulled due to lack of interest of Shortlisted Bidders.
2.	Rashtriya Ispat Nigam Ltd. (RINL)	The CCEA, on 27.01.2021 approved strategic disinvestment of RINL. Eoi not issued.
3.	NMDC Steel Limited (NSL)	The CCEA, on 27.10.2016 approved strategic disinvestment of NSL. Eoi issued.
4.	Ferro Scrap Nigam Limited (FSNL) (subsidiary)	The CCEA, on 27.10.2016 approved strategic disinvestment of FSNL. Eoi issued.

The policy on strategic disinvestment is based on the economic principle that Government should discontinue in sectors, where competitive markets have come of age and economic and job creation potential of such entities may be better discovered in the hands of strategic investors due to various factors such as infusion of capital, technological upgradation and efficient management practices.

As part of the disinvestment process, the legitimate interests of the employees are suitably addressed in the definitive agreements executed with the Strategic Partner. The terms and conditions in the Share Purchase Agreement (SPA)/Share Holders Agreement (SHA) for strategic disinvestment/privatisation contain employee related provisions to suitably address employees concerns such as employee protection, gratuity and provident fund. Further, labour laws and regulations relating to protection, working conditions, welfare, etc. as applicable will also continue to be applicable to the privatised PSEs. After privatisation, the prospects of the employees are also expected to improve with the growth in production, productivity and profitability.
