

GOVERNMENT OF INDIA
MINISTRY OF STEEL

RAJYA SABHA
UNSTARRED QUESTION NO.1440
FOR ANSWER ON 14/03/2022

REDUCTION IN PRODUCTION BY VISAKHAPATNAM STEEL PLANT

1440. SHRI KANAKAMEDALA RAVINDRA KUMAR:

Will the Minister of STEEL be pleased to state:

- (a) whether it is a fact that management of Visakhapatnam Steel Plant (VSP) had decided to reduce the production since 3rd week of February, 2022 trying to create artificial scarcity of steel and paving way for privatization of the steel plant;
- (b) if so, the details thereof;
- (c) if not, the details of the production made in VSP since February, 2022; and
- (d) the stand of Government regarding the privatization of the VSP?

ANSWER

THE MINISTER OF STEEL

(SHRI RAM CHANDRA PRASAD SINGH)

(a)to(c): Production at VSP has been reduced as a functional requirement.

Visakhapatnam Steel Plant (VSP), an Integrated Steel Plant has a Blast Furnace route steel making technology. For production of Coke, RINL (VSP) is dependent on Imported Coking Coal. During 2021-22, the availability of Imported Coking Coal has been heavily constrained and there has been steep increase in prices of coking coal also. Accordingly, Coke production in the Coke Oven was regulated with effect from 25th January, 2022 and brought down to a level of 270 ovens per day from a level of 390 ovens per day. Therefore, operations of one Blast Furnace were temporarily halted. However, the two Blast Furnaces have been operating at optimum level and an average Hot Metal production of 14,700 t/day was achieved in February '2022.

(d) The decision for privatization of RINL (VSP) has been taken in line with New Public Sector Enterprise (PSE) Policy for Atmanirbhar Bharat notified by the Government. Accordingly, 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 (Gol) shareholding in Rashtriya Ispat Nigam Limited (RINL) along with RINL's stake in its Subsidiaries/Joint Ventures through strategic disinvestment by way of privatization.

Strategic disinvestment of Government of India's equity will lead to infusion of capital for optimum utilization, 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.
