



Disinvestment of SAIL Subsidiaries Alloy Steel Plant Durgapur, Salem and Bhadravati Steel Plants

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The Government has accorded 'in-principle' approval for strategic disinvestment of only three units of Steel Authority of India Limited (SAIL) i.e. Visveswaraya Iron and Steel Plant (VISP), Bhadravati, Salem Steel Plant (SSP), Tamil Nadu and Alloy Steel Plant (ASP), Durgapur. These three units of SAIL have been consistently making losses. The entire process of the strategic disinvestment would be carried out with the help of a Transaction Adviser (TA), a Legal Adviser (LA) and an Asset Valuer (AV). The Request for Proposal (RFP) for appointment of TA, LA and AV have been uploaded on SAIL website.

Alloy Steel Plant (ASP), Durgapur has been consistently making losses for last 5 years. Despite investment of around Rs.400 crores, VISP is making losses for last 10 years. Similarly, despite investment of around Rs.2200 crore under modernisation and expansion, SSP is making losses for last 5 years.

The plant-wise financial performance of SAIL during last five years are as under:-

(Rs. in crore)

Plant /Unit	2011-12	2012-13	2013-14	2014-15	2015-16
Bhilai Steel Plant (BSP)	2715	2048	2085	2232	405
Durgapur Steel Plant (DSP)	503	553	416	506	-527
Rourkela Steel Plant (RSP)	646	363	212	232	-2524
Bokaro Steel Plant (BSL)	703	308	202	451	-2203
IISCO Steel Plant (ISP)	-411	-159	-653	-1072	-1939
Alloy Steel Plant (ASP)	-53	-120	-93	-134	-83
Salem Steel Plant (SSP)	-155	-420	-376	-355	-466
Visveswaraya Iron & Steel Plant (VISP)	-131	-117	-123	-97	-116
SAIL Refractory Unit (SRU)	11	10	3	7	21
Chandrapur Ferro Alloy Plant (CFP)	10	-39	-78	-45	-78
Raw Material Division/Central Units	1313	813	1628	634	310
SAIL Profit (+)/Loss (-) Before Tax	5151	3241	3225	2359	-7198
Tax	1608	1070	608	266	3061
SAIL Profit (+)/Loss (-) After Tax	3543	2170	2616	2093	-4137

A major modernisation and expansion programme has been carried out simultaneously at all the five major plants viz. Bhilai, Bokaro, Rourkela, Durgapur & Burnpur and special steel plant at Salem. The Expansion Plan, besides capacity enhancement from 12.8 Mtpa to 21.4 Mtpa of crude steel, adequately addresses the need of SAIL Plants towards eliminating technological obsolescence leading to improvement in operational efficiency. Under the Modernization & Expansion, SAIL has installed latest state-of-the-art technologies like 7m tall Coke Oven Batteries with coke dry quenching, high volume (more than 4000 m³) Blast Furnaces with Top Pressure Recovery turbines, auxiliary fuel injection & Cast House slag granulation plants, Steel Melting Shops with latest steel making, refining and casting technology and state-of-the-art rolling mills viz. coupled Pickling and Tandem mill for cold rolled products, Universal Rail Mill for longer rails (upto 260 m), 4.3m wide Plate Mill etc. The cumulative expenditure incurred till February, 2017 is Rs. 64,986 crore towards Modernisation& Expansion, Mines and related sustenance schemes.

YSK/Uma

