

GOVERNMENT OF INDIA
MINISTRY OF STEEL

LOK SABHA
UNSTARRED QUESTION NO. 1306
FOR ANSWER ON 11.02.2025

FINANCIAL STATUS OF RINL

1306. SHRI RAMPRIT MANDAL:
SMT. LOVELY ANAND:
SHRI DINESH CHANDRA YADAV:

Will the Minister of STEEL be pleased to state:

- (a) the current financial status of Rashtriya Ispat Nigam Limited (RINL);
- (b) the steps being taken by the Government for the revival of RINL;
- (c) the major reasons for RINL to suffer losses; and
- (d) the reasons for Government owned RINL to suffer losses despite steel industry running on profit and the details in this regard?

ANSWER

THE MINISTER OF STATE IN THE (SHRI BHUPATHIRAJU SRINIVASA VARMA)
MINISTRY OF STEEL

(a) During 2024-25 (April-December 2024), total Revenue from Operations of Rashtriya Ispat Nigam Limited (RINL) was ₹12,429.02 crore. During this period, RINL incurred a loss of (-) ₹3943.43 crore (Profit Before Tax) and of (-) ₹3664.73 (Profit After Tax).

(b) Government of India has approved the infusion of ₹10,300.00 crore as equity capital in RINL (including ₹500.00 crore already provided as emergency funds in September, 2024) and conversion of ₹1140.00 crore working capital loan as 7% Non-cumulative Preference Share Capital redeemable after 10 years, to keep RINL as a going concern.

(c)to(d): The major reasons for losses of RINL are mismatch in upstream and downstream capacities in the implementation of Expansion and Modernization plan, repayment of CAPEX loans, liquidity crisis due to inability to generate required working capital, subdued Techno-economic performance and sub optimal operations resulting in low-capacity utilization. Further, RINL procures iron ore domestically at prevailing prices. For its requirement of coking coal, RINL is dependent on imports. The cost of procurement of coking coal was high due to volatile prices in the international markets. In addition, due to higher fixed and variable costs, the per ton cost of steel production of RINL was higher than other similarly placed steel producers.
