

LOK SABHA
UNSTARRED QUESTION NO.4178
FOR ANSWER ON 07/01/2019

PERFORMANCE OF RINL

4178. SHRI B.V. NAIK:
SHRI S.P. MUDDAHANUME GOWDA:

Will the Minister of STEEL be pleased to state:

- (a) whether it is a fact that a team visited the Rashtriya Ispat Nigam Limited (RINL) to look into the modalities of listing of RINL;
- (b) if so, the details thereof;
- (c) the reasons for RINL incurring losses during the last four years;
- (d) the extent to which not providing captive mines to RINL is contributing to its losses; and
- (e) the corrective steps taken by the Government to improve the profitability of RINL?

ANSWER

THE MINISTER OF STATE FOR STEEL

(SHRI VISHNU DEO SAI)

- (a) No, Madam.
- (b) Does not arise.
- (c) Major reasons for losses since 2015-16, inter-alia have been downturn in global steel industry, cheaper imports, adverse market conditions, lower net sales realizations of steel products, increase in imported and indigenous prices of basic raw materials such as iron ore & coking coal, etc.
- (d) Major reasons for losses, which inter-alia include costs as well as fluctuations in the prices of basic raw materials, is brought out in the reply to para (c) above. In RINL's case, the cost of raw materials constitute around 50% of the total expenses.

As per the Mines and Minerals (Development and Regulation), Act, 1957, as amended through the Mines and Minerals (Development and Regulation) Amendment Act, 2015, the State Governments have been empowered to grant mining lease through the method of auction under Section 10A or through the reservation route under Section 17A of the Act. Allocation of new mining lease is, therefore, regulated as per the provisions of the amended Act.

(e) Steel is a deregulated sector and role of Government is that of a facilitator. Efforts made by RINL to increase operational efficiency and profitability of the plant inter-alia include optimization of coal blends, increasing vendor base of coking coal; maximization of captive power generation production of high end value added steels for higher margins; improvement in techno-economic parameters such as Blast Furnace productivity, Pulverized Coal Injection as partial replacement for costlier Coke, lower coke rate, increased labour productivity; optimizing logistical costs by utilizing coastal shipping, chartering of higher capacity vessels; strengthening sales and marketing networks, etc.
