

GOVERNMENT OF INDIA
MINISTRY OF STEEL

RAJYA SABHA
UNSTARRED QUESTION NO.159
FOR ANSWER ON 18/07/2022

COST OF PRODUCTION OF STEEL IN CPSEs

159. Shri G.V.L. Narasimha Rao:

Will the Minister of STEEL be pleased to state:

- details of capacity of each steel Central Public Sector Enterprise (CPSE), production, and capacity utilisation during the past five yearsL
- details of cost of production per tonne of steel in each steel CPSEL
- reasons why the cost of production is higher in Rashtriya Ispat Nigam Limited (RINL), Visakhapatnam compared to Steel Authority of India Limited (SAIL)L
- details of profitability of each steel CPSE during the past five yearsL
- details of a captive iron ore mine not allocated and made available to RINL to reduce its cost of productionL
- whether Government has received a proposal to merge RINL with SAILL and
- if so, Government's response thereto?

ANSWER

THE MINISTER OF STATE IN THE (SHRI FAGGAN SINGH KULASTE)
MINISTRY OF STEEL

(a) There are two steel manufacturing CPSEs under the administrative control of Ministry of Steel, namely, Steel Authority of India Limited(SAIL) and Rashtriya Ispat Nigam Limited(RINL). The details of production and capacity utilization of crude steel during the past five years i.e. FY 2017-18 to FY 2021-22,is as under: -

('000 Tonne)					
Steel Authority of India Limited (SAIL)					
Year	2017-18	2018-19	2019-20	2020-21	2021-22
Capacity	17519	19132	19632	19632	20632
Production	15022	16263	16156	15213	17363
% Utilization	86	85	82	77	84
Rashtriya Ispat Nigam Limited (RINL)					
Capacity	6300	6300	6300	6300	6300
Production	4731	5233	4749	4302	5272
% Utilization	75	83	75	68	84

Source : Joint Plant Committee(JPC)

Contd.....2/-

(b)&(c): Steel being a deregulated sector, the cost of production is influenced by various factors like global market conditions, trends in price of raw materials, logistics cost, power and fuel costs, etc. Decisions regarding cost of production of steel is taken by individual company based on techno-commercial considerations.

(d) The details of profitability of SAIL and RINL during the past five years i.e. FY 2017-18 to FY 2021-22, is as under:-

Financial Year	(Rs. Crore)			
	SAIL		RINL	
	Profit Before Tax	Profit After tax	Profit Before Tax	Profit After tax
2017-18	(-)759	(-)482	(-)1911.45	(-)1369.01
2018-19	3338	2179	(-)306.89	96.71
2019-20	3171	2022	(-)4287.51	(-)3910.17
2020-21	6879	3850	(-)1259.02	(-)1012.16
2021-22	16039	12015	941.58	913.19

(e) RINL has no captive iron ore mine. Ministry of Steel has requested Government of Odisha for reservation of one of the iron ore blocks of Malangtoli and Khandadhar in Keonjhar District under section 17(A) of the Mines and Minerals (Development and Regulation) Act, 1957 in favour of RINL. RINL has also requested State Governments viz. Odisha and Chhatisgarh for reservation of iron ore deposit under Section 17A (2A) of Mines and Minerals (Development and Regulation) Amendment Act, 2015.

(f)&(g): No proposal to merge SAIL and RINL is under consideration of the Government.
