

GOVERNMENT OF INDIA
MINISTRY OF STEEL

RAJYA SABHA
UNSTARRED QUESTION NO.1103
FOR ANSWER ON 27/12/2017

EXCLUSIVE CAPTIVE MINES TO RINL

1103. SHRI V. VIJAYASAI REDDY:

Will the Minister of STEEL be pleased to state:

- (a) whether RINL has reported huge loss during the last financial year *i.e.* 2015-16;
- (b) whether it is a fact that it is for the first time that RINL has reported loss in 13 years;
- (c) if so, what are reasons behind this loss and how Ministry is planning to overcome this;
- (d) whether one of main reasons behind this is not having an exclusive captive mine to RINL and RINL has been demanding for the same over the years; and
- (e) if so, what are reasons for not allotting a mine to RINL?

ANSWER

THE MINISTER OF STATE FOR STEEL

(SHRI VISHNU DEO SAI)

(a)to(c): RINL made profits consecutively since 2002-03 to 2014-15. RINL reported net loss after tax of Rs.1421 crore in 2015-16. Major reasons for losses inter-alia have been adverse market conditions, lower Net Sales Realizations of steel products, increase in imported and indigenous coal prices and downturn of global steel industry, etc.

Steel is a deregulated sector and role of Government is that of a facilitator. The Government has taken various remedial measures to safeguard the indigenous steel industry which amongst others include trade measures such as anti dumping duties, safeguard duties and temporary introduction of Minimum Import Price; notified Quality Control Order thereby making BIS standards mandatory for all steel products and imports; notified the policy on Domestically Manufactured Iron and Steel Products in Government procurement which facilitates domestic value addition; and notified National Steel Policy 2017 with a view to encourage long term growth of domestic steel sector, etc.

(d)&(e): Major reasons for losses have been brought out in the reply to the points at (a) to (c) above. RINL has been participating in various auctions conducted for allotment of mines. 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(2A) of the Act. Allocation of new mining lease is, therefore, regulated as per the provisions of the amended Act.
