

GOVERNMENT OF INDIA
MINISTRY OF STEEL

RAJYA SABHA
UNSTARRED QUESTION NO.1905
FOR ANSWER ON 03/01/2018

REASONS FOR LOSS INCURRED BY RINL

1905. SHRI V. VIJAYASAI REDDY:

Will the Minister of STEEL be pleased to state:

- (a) whether it is a fact that recently 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) what are the reasons for disinvesting a Navratna company when it is performing well;
- (d) what are the reasons for RINL incurring losses in the last two years and what efforts the Ministry is making to turn the tables; and
- (e) to what extent not providing captive mines to RINL is contributing to its losses?

ANSWER

THE MINISTER OF STATE FOR STEEL

(SHRI VISHNU DEO SAI)

- (a) No, Sir.
- (b) Does not arise.
- (c) The Cabinet Committee on Economic Affairs (CCEA) has given "in-principle" approval in the year 2012 on the proposal for disinvestment of 10% paid up equity of RINL out of Government of India shareholding of 100% through initial public offering (IPO) as per the disinvestment Policy of the Government of India.
- (d) 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 in 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.

- (e) Major reasons for losses have been brought out in the reply to the point (d) above.
