

GOVERNMENT OF INDIA  
MINISTRY OF STEEL

**RAJYA SABHA**  
**UNSTARRED QUESTION NO.3818**  
FOR ANSWER ON 28/03/2018

**IRON ORE MINE TO RINL**

3818. SHRI V. VIJAYASAI REDDY:

Will the Minister of STEEL be pleased to state:

- (a) the details of steps taken/proposed to be taken to turn around RINL, which otherwise was making profits for nearly one-and-a-half decades in spite of high raw material cost;
- (b) whether it is a fact that RINL has been demanding for long for allocation of captive iron ore mine;
- (c) if so, the plans Government has to sign an MoU between RINL and NMDC;
- (d) whether it is also a fact that RINL invested ₹360 crores in Odisha Mineral Development Corporation but due to legal tangles, mines have become inoperative; and
- (e) whether Government would think of allocating this to RINL?

**ANSWER**

THE MINISTER OF STATE FOR STEEL

(SHRI VISHNU DEO SAI)

(a) RINL made profits from 2002-03 to 2014-15. The company's financials thereafter were impacted mainly due to factors such as cheaper imports, adverse market conditions, lower net sales realizations of steel products, increase in imported and indigenous coal prices, downturn in global steel industry, etc.

Ministry of Steel had constituted a Committee of Experts in March, 2017 to chalk out revival plan for turnaround of SAIL and RINL. Subsequent to various deliberations held by the Committee, RINL entered into a Memorandum of Understanding (MoU) in July, 2017. The MoU inter alia contains detailed roadmap on action plan and targets concerning various projects/operations/costs including targets on production, marketing performance, etc. to be achieved by RINL as per the timelines stipulated under the MoU.

(b)&(c): Yes, Sir. Allocation of mining lease, however, is regulated as per the Mines and Minerals (Development and Regulation) (MMDR) Act, 1957, as amended through the Mines and Minerals (Development and Regulation) Amendment Act, 2015 (Act, 10 of 2015), wherefrom the State Governments has 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 said Act.

RINL already have an existing agreement with NMDC for supply of iron ore.

(d) RINL has invested an amount of Rs.361.03 crore in Eastern Investment Limited (EIL). As per Government approved holding pattern, EIL is a subsidiary of RINL and OMDC is a subsidiary of EIL.

Mines operated by OMDC are not in operation due to non renewal of mining leases which are under litigations.

(e) Allocation of mining lease is regulated as per the MMDR Act, 1957, as further amended through the Act, 10 of 2015 and the Act, 25 of 2016.

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