

GOVERNMENT OF INDIA
MINISTRY OF STEEL
RAJYA SABHA
UNSTARRED QUESTION NO. 1278
FOR ANSWER ON 31/07/2023

MERGING OF RINL WITH SAIL

1278. SHRI G.V.L. NARASIMHA RAO:

Will the Minister of STEEL be pleased to state:

- (a) whether Government is willing to consider RINL's merger with SAIL which is planning to expand capacity to 35 million tonnes by investing ₹ 1.1 lakh crore;
- (b) if not, the reasons for divesting RINL and investing in SAIL when both are Central PSUs and steel is non-strategic sector;
- (c) the steps which have been taken by Government to help RINL in reducing its raw material cost and in reducing debt service burden, results thereof; and
- (d) the reasons for captive iron ore mines not being allocated to RINL, as in the case of other steel PSUs to reduce cost of iron ore?

ANSWER

THE MINISTER OF STATE IN THE
MINISTRY OF STEEL

(SHRI FAGGAN SINGH KULASTE)

(a)&(b): No, Sir. As per the New Public Sector Enterprise (PSE) Policy for Atmanirbhar Bharat notified by the Government of India, the existing Public Sector Enterprises (PSEs) have been broadly classified under Strategic and Non-strategic Sectors. PSEs in the non-strategic sectors shall be considered for privatization, where feasible, otherwise such enterprises shall be considered for closure. In line with new PSE Policy, the Government has accorded an in-principle approval for 100% disinvestment of Government of India (GoI) shareholding in Rashtriya Ispat Nigam Ltd.(RINL) alongwith RINL's stake in its Subsidiaries / Joint Ventures through strategic disinvestment.

(c)&(d): To reduce the cost of raw-material of RINL, Ministry of Steel has taken up with Ministry of Coal for supply of domestic coking coal and thermal coal to RINL. Also, Ministry of Steel has requested State Government of Odisha for allocation of an iron ore block to RINL by way of reservation to Government Companies. RINL has also requested State Governments viz. Odisha, Chhattisgarh and Andhra Pradesh for recommending reservation of iron ore deposits under Section 17A(2A) of MMDR Act, 2015, to Ministry of Mines, Government of India. RINL has been participating in allocation of Iron Ore mines through e-auction by the State Governments, but has not yet been able to secure the mining lease. Regarding debt service burden, RINL has taken up the matter with lending banks for fresh loans at competitive interest rates to ensure working capital requirements etc.
