

GOVERNMENT OF INDIA
MINISTRY OF STEEL
RAJYA SABHA
UNSTARRED QUESTION NO. 319
FOR ANSWER ON 05/02/2024

MOU OF RINL WITH JSPL

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

Will the Minister of STEEL be pleased to state:

- (a) whether it is a fact that RINL has entered into an MoU with Jindal Steel & Power Limited (JSPL) for operating third blast furnace;
- (b) the terms and conditions of the MoU signed with JSPL;
- (c) whether RINL made any efforts to enter into a similar MoU with SAIL and SAIL's response thereto;
- (d) whether the same terms were offered to other participants in the Expression of Interest (EoI) called by RINL;
- (e) whether the production and profitability of RINL is expected to improve after MoU with JSPL, if so, details thereof; and
- (f) the other steps being taken to improve working capital situation of RINL?

ANSWER

THE MINISTER OF STATE IN THE
MINISTRY OF STEEL

(SHRI FAGGAN SINGH KULASTE)

(a)to(e): RINL floated an Expression of Interest(EoI) and Open Tenders inviting business proposals to the potential entities, including SAIL, based on working capital/raw-material support on conversion model. The MoU with JSPL was signed by RINL after following due tendering process on mutually agreed commercial terms.

(f) To reduce 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. Ministry of Steel has also requested State Government of Odisha for allocation of Iron Ore block through reservation route. In addition, RINL has taken following initiatives from time to time to improve its financial performance:-

- (i) The operational cost are being reduced and cost rationalization and revenue maximization are being achieved by optimization of product mix in line with market requirement to achieve higher realization and increase in production and sales of value added steel.
- (ii) Maximization of indigenous coking coals in the coal blend to reduce costs.
- (iii) Pursued banks for enhancement of borrowing limits.
