

GOVERNMENT OF INDIA
MINISTRY OF STEEL

RAJYA SABHA
UNSTARRED QUESTION NO.2700
FOR ANSWER ON 09/08/2017

LOSS INCURRED BY RINL

2700. SHRI V. VIJAYASAI REDDY:

Will the Minister of STEEL be pleased to state:

- (a) whether it is a fact that Rashtriya Ispat Nigam Limited (RINL) incurred a loss of ₹ 1421 crores in the last fiscal in spite of 39 per cent increase in production and 5 per cent growth;
- (b) if so, the reasons therefor and what is the impact of fall in prices of steel on the turnover of RINL; and
- (c) what is the present status of expansion of RINL?

ANSWER

THE MINISTER OF STATE FOR STEEL

(SHRI VISHNU DEO SAI)

(a) Rashtriya Ispat Nigam Limited (RINL) registered around 39% growth in saleable steel sales volume and around 5% growth in turnover in 2015-16 as compared to 2014-15. RINL incurred Profit After Taxes of (-) Rs. 1421 crore in 2015-16.

(b) Major reasons for the losses were sluggish market conditions and cheaper imports which prompted domestic steel companies to adopt aggressive pricing strategies by way of undercutting prices to sustain sales and contain inventory levels. The effect on RINL on account of these external factors led to fall in the Net Sales Realization (NSR) per ton of Saleable Steel and Pig Iron by around 24% and 29% respectively from the levels prevailing in FY 2014-15, which impacted Sales Turnover in 2015-16.

(c) RINL completed its capacity expansion from 3 million tonnes per annum (mtpa) of liquid steel to 6.3 mtpa in April, 2015. Presently RINL is in consolidation phase to maximise returns from expansion units.
