

GOVERNMENT OF INDIA
MINISTRY OF STEEL

RAJYA SABHA
UNSTARRED QUESTION NO.2754
FOR ANSWER ON 21/03/2013

**LOSS OF NMDC DUE TO NON-REVISION OF IRON ORE
PRICES**

2754. DR. YOGENDRA P. TRIVEDI:

Will the Minister of STEEL be pleased to state:

- (a) whether National Mineral Development Corporation (NMDC) had to incur loss of crores of rupees during 2007-2010 as prices of iron ores were not revised according to the market prices;
- (b) if so, the reasons therefor and the amount of loss incurred; and
- (c) who is responsible for such loss?

ANSWER

THE MINISTER OF STEEL

(SHRI BENI PRASAD VERMA)

(a)to(c): NMDC Limited is a Navratna Public Sector Enterprise and has continuously made profits during the period 2006-07 to 2010-11.

Iron ore is in deregulated sector. Prices of iron ore are fixed by the individual companies based on commercial prudence and general market situation. Being a Navratna Public Sector Enterprise, the commercial and financial decisions of NMDC including pricing of iron ore are taken by the Board of Directors of the company based on various factors including demand-supply situation of iron ore, long term agreements for supply of iron ore and prevailing general market conditions.
