

the peer trading multiple. The Committee of Officers requested the BRLMs to give due consideration to the performance of the Company and also to the fact that expansion to 6.3 mtpa is almost complete. The BRLMs agreed to recommend a price band of Rs. 15-17 per share which translates to Financial Year 2013 EV/EBITDA of 6.0x -6.6x (5% discount to 5% premium to SAIL) and a Price to Book (June, 2012) multiple of 0.67x to 0.75x (14.6% to 24.7% discount to SAIL).

(g) In order to fetch a better value of the company through IPO, a decision has been taken in the Ministry to reduce Equity Capital base of RINL considerably by transferring 40% to 60% equity of RINL into reserves, early redemption of an amount of Rs. 1,632 Crores of 7% of Preference Share Capital and merge of Eastern Investment Limited (EIL), a subsidiary company of RINL, with RINL by swapping the shares of RINL and EIL through cash less transaction and RINL has already started working activity on these issues.

Sickness in the iron and steel sectors

3066. SHRI BALWINDER SINGH BHUNDER: Will the Minister of STEEL be pleased to state:

(a) whether there is sickness in the iron and steel sectors particularly in the mini steel plants; and

(b) if so, the reasons in this regard and the efforts made to remove the sickness?

THE MINISTER OF STEEL (SHRI BENI PRASAD VERMA): (a) and (b) No such data is maintained by Ministry of Steel. Steel being a deregulated sector, the detailed strategy regarding physical and financial viabilities of the projects are decided by the concerned investors based on their commercial judgment.

Quality standard on import of steel

3067. SHRI JAI PRAKASH NARAYAN SINGH:

SHRI A. ELAVARASAN:

Will the Minister of STEEL be pleased to state:

(a) whether Government has imposed mandatory quality standards on import of a large number of steel and steel products;

(b) whether imposition of these standards is likely to stop all import of steel and steel products in the country with immediate effect and it would lead to large scale closure of small unit;

(c) if so, the reasons for such a step;

(d) whether a ban on imports would raise prices of steel in the country and additional profit of more than Rs. 10,000 crore per annum for the domestic steel producers; and

(e) if so, the reasons of favouring the large steel producers at the expense of workers in Small Scale Industries (SSI) units?

THE MINISTER OF STEEL (SHRI BENI PRASAD VERMA): (a) Government has notified 16 steel products, which have direct bearing on consumer health and safety and critical to infrastructure, under the Steel and Steel Products (Quality Control) Order, 2012. The Order equally applies to import and domestic production.

(b) No, Sir. Implementation of the Order does not prohibit import of steel in the country and it is also not intended to close small scale units. The Order merely mandates that steel products produced in the country or imported must conform to the Standards. The units have been given enough time to gear up to obtain BIS license/registration to be able to operate without interruption. Many of them have already obtained BIS license/registration. Further, Government has deferred implementation of the Order on some of the products to facilitate registration of remaining units with BIS.

(c) Does not arise in view of (b) above.

(d) and (e) The Order does not favour the large scale producers as compared to small scale units, since it is uniformly applicable to both large and small scale producers. Moreover, steel is a deregulated sector and price is determined by prevailing market forces.

Marketing of iron ore by NMDC

†3068. SHRI DHARMENDRA PRADHAN: Will the Minister of STEEL be pleased to state:

(a) whether iron ore is being marketed at high rates to domestic steel companies by National Mineral Development Corporation (NMDC);

(b) the facts regarding sale of iron ore at high price to domestic steel companies and exporting it at lower rates by NMDC;

(c) whether Government has taken any steps taking cognizance of the complaints of domestic steel companies; and

†Original notice of the question was received in Hindi.