

GOVERNMENT OF INDIA
MINISTRY OF STEEL

RAJYA SABHA
UNSTARRED QUESTION NO.640
FOR ANSWER ON 12/12/2022

OPERATIONAL PROBLEMS FACED BY VISAKHAPATNAM STEEL PLANT, THE RINL

640 SHRI G.V.L. NARASIMHA RAO:

Will the Minister of STEEL be pleased to state:

- (a) whether Government is aware that Rashtriya Ispat Nigam Ltd. (RINL), known as Visakhapatnam Steel Plant, has incurred losses so far this year;
- (b) the reasons for RINL losses this year while the RINL made good profits last year;
- (c) whether Government would help RINL to obtain captive iron ore mines to reduce its raw material cost and the details thereof;
- (d) steps taken by Government to help RINL tide over working capital problems; and
- (e) whether Government has taken any steps to reduce the large interest burden of RINL at high interest rates from the public sector banks?

ANSWER

THE MINISTER OF STATE IN THE
MINISTRY OF STEEL

(SHRI FAGGAN SINGH KULASTE)

(a)&(b): Yes, Sir. The major reasons for losses suffered by RINL in the Financial Year 2022-23 are high operational cost and lower net sales realization, high raw material cost, increased cost of debt servicing, working capital deficit and adverse domestic and international market conditions for steel products.

(c) RINL has requested State Governments viz. Odisha, Chhatisgarh and Andhra Pradesh for recommending reservation of iron ore deposit under 17(2A) of MMDR Act, 2015 to Ministry of Mines, Government of India. Ministry of Steel has also requested Government of Odisha for reservation of an iron ore block in favour of RINL.

(d)&(e): The issues of working capital crunch and high interest burden have been taken up by RINL with the concerned banks.
