

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF INVESTMENT AND PUBLIC ASSET MANAGEMENT (DIPAM)

LOK SABHA
UNSTARRED QUESTION NO. 1243
TO BE ANSWERED ON 09.02.2018

Disinvestment of RINL

1243. Shri Muthamsetti Srinivasa Rao (Avanthi):

Will the Minister of Finance be pleased to state:

- a) whether the recent decision to revive/ disinvestment of the Rashtriya Ispat Nigam Limited (RINL) the corporate entity of the Visakhapatnam Steel Plant will pave the way for privatisation of India's first shore- based steep plant and if so, the details thereof;
- b) whether the RINL was on recovery path and suffered losses due to prolonged slumps in economy and adverse market conditions and if so, the details thereof; and
- c) whether the Government will consider allowing RINL to continue function as a Public Sector Undertaking which is with a land bank of 25000 acres and a highly competent workforce and if so , the details thereof?

ANSWER

The Minister of State for Finance
(Shri Pon. Radhakrishnan)

- a) Decision of the Cabinet Committee on Economic Affairs (CCEA) is for listing of the shares of Rashtriya Ispat Nigam Limited (RINL) through disinvestment of 10% paid up equity out of Government of India (GoI) shareholding of 100% through Initial Public Offer (IPO) process. This decision does not tantamount for privatisation of RINL.
- b) RINL made profits consecutively since 2002-03 to 2014-15. The company however, incurred losses in the subsequent financial years inter alia due to cheaper imports, adverse market condition, lower net sales realization of steel products increase in imported and indigenous coal prices, downturn in global steel industry.
- c) RINL shall continue to be Public Sector Undertaking, post listing of its shares on the stock exchange.
