

## RINL to Import Iron Ore



Rashtriya Ispat Nigam (RINL) recently floated a global tender asking for expression of interests (EoIs) from major producers such as Rio Tinto and BHP Billiton, seeking to import iron ore for the first time in its 33-year history. The move is aimed at cashing in on the prevailing subdued price of the key steel-making raw material and reducing its reliance on PSU miner NMDC.

RINL, which currently sources almost its entire need from NMDC to feed the Vizag-based 2.9 mtpa lone steel-making facility, is the only government-run steel firm operating sans any captive source of the raw material. The other one, SAIL, has enough resources to survive for many years without requiring to buy from outside. It generally takes 1.6 tonne of iron ore to produce every tonne of steel.

“Global prices for iron ore have drastically fallen. We want to leverage on this. Intending that, we have issued a global tender inviting EoIs from major players. There appears to have some leverage available. If prices they quote are lower than that of NMDC, we will start importing the raw material for the first time in our history,” RINL’s CMD P Madhusudan told. Having a coast-based facility, RINL would certainly enjoy the benefit on the transportation charges, which might prove to be cost-effective for the company in the long-run even taking into consideration that the prices of iron ore inched up from the current level.

RINL’s iron ore need is set to go up as the company is in the last leg of enhancing its capacity to 7.3 mtpa from 2.9 mtpa now. It has plans to ramp it further to 12 mtpa by 2020.

At the same time Shri P Madhusudan, CMD, RINL is very much appreciative about the performance and growth achieved by the collective despite “Hudhud” and observed that the Vizag Steel collective is very competent to achieve the targets fixed for 2015-16. The targets of

5 MT of Hot metal, 4.9MT of Liquid Steel, 4.3 MT of Saleable Steel production and turnover of around Rs 18,000 crores fixed for 2015-16 can be achieved with meticulous planning and execution, he added.

To mark the occasion, Sri P Madhusudan released “Vision Document 2025” as RINL has grown from a single location to multi location company. The new Vision statement of the company is “To be the most efficient steel maker having the largest single location shore based steel plant in the country”. Addressing the senior officials of the Company on the occasion of start of the New financial year today, Sri Madhusudan said that the focus should shift from “Produce to Sell” to “Produce to Customer needs” in this competitive market and for this the Marketing department should utilize the ERP/CRM tool effectively.

He exhorted the Works collective to focus on the maintenance aspects to strengthen the plant operations & equipment life. He mentioned that the good techno-economic parameters help to bring down the cost of production. He further highlighted the need to achieve 5% reduction in conversion cost in each shop floor to improve the bottom line. Sri TK Chand, Director (Commercial), Sri PC Mohapatra, Director (Projects), Dr GBS Prasad, Director (Personnel), Sri DN Rao, Director (Operations), Sri TVS Krishna Kumar, Director (Finance), Sri B Siddhartha Kumar, IFS, CVO in their addresses highlighted the achievements and the challenges faced during the last financial year in their respective directorates. Earlier, Corporate Strategic Management (CSM) department gave a presentation on the performance of the company highlighting the achievements during the year 2014-15 and the outlook for the year 2015-16. Executive Directors, GMs, HODs, Senior officials, representatives of Steel Executive Association, Trade Unions, SC&ST association, WIPs and large number of senior officials were present on the occasion.