

**GOVERNMENT OF INDIA  
STEEL  
LOK SABHA**

UNSTARRED QUESTION NO:2028  
ANSWERED ON:08.03.2000  
PROFIT EARNED BY SAIL  
RAVINDRA KUMAR PANDEY;SHEELA GAUTAM

**Will the Minister of STEEL be pleased to state:**

- (a) the net profit/loss earned/suffered by the Steel Authority of India Limited during 1997-98, 1998-99 and 1999-2000;
- (b) the reasons for huge losses during the year 1999-2000;
- (c) whether major portion of the cost in the production of steel is spent on coal itself;
- (d) if so, the details thereof;
- (e) whether some high officials have been found to be involved in alleged irregularities; and
- (f) if so, the action taken against them?

**Answer**

MINISTER OF STATE FOR STEEL (SHRI DILIP RAY)

(a) & (b): The net profit/loss (-) of Steel Authority of India Limited from 1997-98 is as under:

(Rs. in Crores)	
Year	Profit/Loss(-) after tax
1997-98	133
1998-99	-1574
1999-2000 (upto Dec.`99)	-2049

The huge losses during 1999-2000 are mainly due to stress on margins arising out of sluggish demand for steel, greater competition from imports, enhancement of supplies in domestic market and higher interest and depreciation cost on capitalisation of modernisation of steel plants at Rourkela, Bokaro and Durgapur.

(c) & (d): Yes, Sir. In 1998-99, the coal and coke cost was about 62% of the total raw material cost.

(e) & (f): Between March, 1997 and February, 2000, four executives were found to have allegedly committed irregularities in award of contracts. Regular Department Action (RDA) for imposing major penalties has been initiated against them.