

**GOVERNMENT OF INDIA
STEEL
LOK SABHA**

STARRED QUESTION NO:393
ANSWERED ON:22.04.2013
PERFORMANCE OF PUBLIC SECTOR STEEL COMPANIES
Sivakumar Alias J.K. Ritheesh Shri K.

Will the Minister of STEEL be pleased to state:

- (a) whether the financial performance of public sector steel companies has improved during the last three years and the current year;
- (b) if so, the details thereof and if not, the reasons therefor;
- (c) the details of the companies which have registered profit and those which are running in losses;
- (d) whether there has been any increase in the operating cost and input cost of the steel companies during the last three years; and
- (e) if so, the details thereof and the reasons therefor along with the steps taken/being taken by the Government to reduce the operating costs?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF STEEL (SHRI BENI PRASAD VERMA)

(a)to(e) A Statement is laid on the Table of the Lok Sabha.

STATEMENT REFERRED TO IN REPLY TO PARTS (A) TO (E) OF THE LOK SABHA STARRED QUESTION NO.393 FOR ANSWER ON 22/04/2013 TABLED BY SHRI K. SHIVAKUMAR ALIAS J.K. RITHEESH, MEMBER OF PARLIAMENT REGARDING PERFORMANCE OF PUBLIC SECTOR STEEL COMPANIES.

(a)to(c) There are two public sector steel manufacturing companies in the country, namely, Steel Authority of India Limited (SAIL) and Rashtriya Ispat Nigam Limited (RINL). Both are profit making Central Public Sector Enterprises (CPSEs). The Profit After Tax (PAT) of these CPSEs during the last three years was as under:-

(rs in crore)

Sl.No.	Name of the PSU	2009-10	2010-11	2011-12	2012-13 (upto Dec., 2012) (Provisional)
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1.	SAIL	6754.37	4904.74	3542.72	1723.82
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2.	RINL	796.67	658.49	751.46	250.78
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The profits of SAIL and RINL have declined mainly due to adverse impact of higher usage of external inputs like BF coke, pellets and furnace oil/LSHS, lower sales volume, lower interest income on deposits, increase in power cost, increase in Railway freight and higher salaries/wages and decline in sales realization.

(d)&(e) Yes, Madam. There has been increase in the operating cost and input cost of SAIL and RINL. Details of input cost and operating cost CPSE-wise are as under:-

Steel Authority of India Limited (SAIL)

(RS in crore)

2010-11 2011-12 2012-13 (upto Dec., 2012) (Provisional)

Raw Material 20252 23026 16674

Operating Cost 16114 17944 14287

Rashtriya Ispat Nigam Limited (RINL)

(RS in crore)

2010-11 2011-12 2012-13 (Provisional)

Operating Cost 10630.40 13253.11 9416.41 (upto Dec., 2012)
(including Raw
Material)

In view of reduction in profit, all Plants/Units have been advised to focus on operating as well as on non-operating areas to improve the profitability position of the companies. In addition to improvement in production, sales, product-mix & value added products, techno-economic parameters, the companies are also taking necessary action in the areas such as sale of surplus scrap, sale of non-moving/obsolete stores & spares, and maximizing sales of coal chemicals, by-products & secondary steel.