

**GOVERNMENT OF INDIA  
STEEL  
LOK SABHA**

UNSTARRED QUESTION NO:1295  
ANSWERED ON:26.11.2009  
PROFIT TO STEEL COMPANIES  
Ramasubbu Shri S.

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

- (a) whether the profit of the Government owned steel companies have reduced during 2008-09;
- (b) if so, details thereof alongwith the reasons therefor; and
- (c) the steps taken/proposed to be taken by the Government in this regard?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF STEEL(SHRI A. SAI PRATHAP)

(a) Yes, Madam.

(b) The details of Profit Before Tax (PBT) and Profit After Tax (PAT) in respect of Government owned steel companies namely Steel Authority of India Limited (SAIL) and Rashtriya Ispat Nigam Limited (RINL) for the years 2007-08 and 2008-09 are indicated hereunder:

(Rs. in crore)  
Name of the Company Profits 2007-08 2008-09

SAIL PBT 11469 9404

PAT 7537 6175

RINL PBT 2995 2027

PAT 1943 1336

The reduction in profit is primarily due to increase in costs of raw materials, decrease in sales volume and sudden fall in selling price from the middle of the year, due to an unprecedented global meltdown which affected the steel industry.

(c) These companies have taken strategic steps to offset falling profits, such as increase in the production and sales of value added products, better product-mix, improved techno-economic parameters, optimization in procurement, continuous emphasis on cost reduction and prudent fund management.