

**GOVERNMENT OF INDIA
STEEL
LOK SABHA**

UNSTARRED QUESTION NO:18
ANSWERED ON:05.08.2013
PERFORMANCE OF STEEL COMPANIES
M.Thambidurai Dr.

Will the Minister of STEEL be pleased to state:

- (a) whether the financial performance of the public sector steel companies has improved during the last three years and the current years;
- (b) if so, the details thereof and if not, the reasons therefor;
- (c) the details of the companies which have registered profits and those which have registered losses during the said period, company-wise and year-wise; and
- (d) the steps taken/being taken by the Government to mitigate losses of such companies and to improve their efficiency?

Answer

THE MINISTER OF STEEL (SHRI BENI PRASAD VERMA)

(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 is as under:-

(Rs.in crore)

Sl. No.	Name of the CPSE	2010-11	2011-12	2012-13
1.	SAIL	4904.74	3542.72	2170.30
2.	RINL	658.49	751.46	352.80

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, increase in excise duty, depreciation of Rupee vs. United States (US) Dollar and higher salaries/wages and decline in sales realization.

(d) 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.