

LOK SABHA
UNSTARRED QUESTION NO.3708
FOR ANSWER ON 19/03/2018

PERFORMANCE OF SAIL

3708. SHRIMATI K. MARAGATHAM:

Will the Minister of STEEL be pleased to state:

- (a) whether SAIL is expected to make profit from next year onwards on the back of continued improvement in global commodity market and if so, the details thereof;
- (b) whether the loss of SAIL has come down drastically during the year 2016-17 and if so, the details thereof; and
- (c) whether the loss was on account of slow down in the sector and if so, the details thereof?

ANSWER

THE MINISTER OF STATE FOR STEEL

(SHRI VISHNU DEO SAI)

- (a) The improvement in the global commodity market would positively impact the performance of SAIL from next year onwards. However, the same would also be dependent on many factors such as increase/decrease in international/domestic steel prices, coking coal prices, demand and supply scenario, etc.
- (b) In the FY 2016-17, the Loss before Tax and after Tax at Rs. 4851 crore and Rs. 2833 crore has come down drastically by 31% and 30% respectively, over corresponding period of last year (CPLY) as given below:-

Particulars	Rs./Crore	
	2015-16	2016-17
Profit(+)/Loss(-) before Tax	-7008	-4851
Profit(+)/Loss(-) after Tax	-4021	-2833

(c) During FY 2014-15 and 2015-16, the loss was mainly on account of surge in imports into India thereby posing a severe challenge to the domestic Steel Industry in the form of over supplies and predatory pricing by steel surplus countries such as China, Korea, Japan and CIS countries. In addition, SAIL had losses from FY 2015-16 due to the following reasons:-

- Lower Net Sales Realisation of steel products.
- Increase in the imported coal prices, particularly 2016-17 onwards.
- Adverse impact of levy of contribution to District Mineral Foundation (DMF) and National Mineral Exploration Trust (NMET).
- Higher usage of imported coal in the blend due to lower availability of indigenous coal.
- Increase in salaries & wages.
- Higher interest charges and reduction in interest earning on deposits.
- Higher depreciation due to capitalisation of new facilities.
