

**GOVERNMENT OF INDIA  
STEEL  
LOK SABHA**

UNSTARRED QUESTION NO:2688  
ANSWERED ON:11.12.2006  
CLOSURE OF NON- PROFITABLE UNITS OF SAIL  
Maheshwari Smt. Kiran;Shakya Shri Raghuraj Singh

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

- (a) The name of sick steel companies in the public sector;
- (b) Whether Industrial Development Bank of India (IDBI) has recommended closure of sick/non-profitable units of Steel Authority of India Limited (SAIL);
- (c) If so, the details thereof, unit-wise ;
- (d) Whether the SAIL has approached the Government for carrying out financial restructuring of these units; and
- (e) If so, the reaction of the Government thereto?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF STEEL (DR. AKHILESH DAS)

- (a) There is no Sick Steel Company in the Central Public Sector at this moment.
- (b)&(c) : The IDBI has not recommended closure of any unit of SAIL. IISCO was declared as a sick industrial company by BIFR in 1994. Government of India in June`02, had approved revival plan of IISCO. Based on the Government's approval, a rehabilitation proposal was submitted in April, 2003 by IDBI, the operating agency, to BIFR. However, keeping in view SAIL's financial and managerial capabilities and availability of potential of IISCO, GOI approved proposal of merger of IISCO with SAIL. Subsequently, IISCO has been merged with SAIL in 2005-06.
- (d)&(e) : In February 2000, Govt. of India had approved a financial and business restructuring package for SAIL to improve its cost competitiveness. However, considering the turnaround achieved by SAIL and future plan for expansion of capacities the process for foreclosure of divestment process of ASP, SSP, VISL, RFP & Bhilai Oxygen Plant has been initiated.