

**GOVERNMENT OF INDIA  
STEEL  
LOK SABHA**

UNSTARRED QUESTION NO:1724  
ANSWERED ON:04.12.2006  
MERGER OF STEEL/ MINING UNITS WITH SAIL  
Singh Shri Dushyant

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

- (a) whether the Government has a proposal for the merger of some steel and mining companies with Steel Authority of India Limited;
- (b) if so, the details thereof, unit-wise;
- (c) whether the Government has started the merger process;
- (d) if so, the details thereof as on date;
- (e) whether an expert group was constituted by the Government to evaluate the technical and financial feasibility of various proposals for merger of steel and mining companies;
- (f) if so, the details of the recommendations of the group; and
- (g) the reaction of the Government thereto?

**Answer**

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

(a)to(g): Ministry of Steel had constituted an Expert Group under the Chairmanship of Shri B.L. Das, former Secretary (Steel) to examine various proposals of merger between PSUs under the Ministry and make recommendations about the feasibility of these proposals. The Expert Group has recommended and the Government has accepted the same for the following mergers with SAIL :-

1] Merger of Nilanchal Ispat Nigam Limited (NINL) with Steel Authority of India Limited (SAIL)

In the meeting of Committee of Secretaries (COS) held on 14/7/05, it was decided to merge NINL with SAIL. Board of Directors of SAIL in its 312th meeting held on 24/3/2006 has accorded in-principle approval for acquiring equity share capital of NINL through cash payment and subsequently merge it with SAIL. Industrial Development Bank of India (IDBI) has been appointed as the Valuer for valuation of NINL's business and the same is in progress.

2] Merger of Maharashtra Elektros melt Limited (MEL) with SAIL

Board of Directors of SAIL and Board of Directors of MEL in their 314th meeting held on 25/5/06 and 193rd meeting held on 26/5/06, respectively have accorded in-principle approval for the merger of MEL with SAIL. Necessary actions to effect the merger have since been initiated by both the companies.

3] Merger of Bharat Refractories Limited (BRL) with SAIL

Board of Directors of BRL have already passed a resolution accepting the proposal to merge BRL with SAIL on 11/5/06. Board of Directors of SAIL have also approved in-principle the merger proposal in its meeting held on 22/9/06. The proposal is under consideration by the Board for Reconstruction of Public Sector Enterprises (BRPSE).

The Expert Group has also recommended for merger of Sponge Iron India Limited (SIL) with National Mineral Development Corporation (NMDC). The Government has directed SIL and NMDC to take necessary action for merger.