

**GOVERNMENT OF INDIA
STEEL
LOK SABHA**

UNSTARRED QUESTION NO:3615
ANSWERED ON:30.07.2009
NEW STEEL PROJECTS
Rao Shri Nama Nageswara

Will the Minister of STEEL be pleased to state:

- (a) whether the new greenfield steel projects where State Governments are involved have come to a standstill and for the brownfield expansions the steel companies are delaying implementation as most of them are being compelled to re-negotiate with the lenders;
- (b) if so, whether the steel companies are unable to raise funds for the said projects;
- (c) if so, the details thereof alongwith the reasons therefor; and
- (d) the steps taken/being taken to help the steel industry to achieve its production and expansion targets?

Answer

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

(a)to(c): The mechanism for procurement of equipment, award of contracts and commercial borrowing of funds for investment and expansion of steel plants are decided by the individual steel investors, in terms of the policies of the respective companies. Since, these are commercial dealings of the respect companies, Ministry of Steel does not have any information on these issues.

However, no matter regarding difficulty in raising of funds for steel capacity projects has been brought to the notice of Ministry of Steel.

(d) Government has constituted an Inter-Ministerial Group (IMG) to monitor and coordinate issues concerning major steel investments in the country. The Inter Ministerial Group functions under the Chairmanship of Secretary (Steel) with members from various Central Ministries / Departments, such as Railways, Road Transport & Highways, Shipping, Industrial Policy & Promotion, Mines, Environment & Forest and the concerned State Governments. Apart from this, the position of progress of Public Sector Units (PSUs) are periodically monitored in the Ministry of Steel for appropriate and directives.