

**GOVERNMENT OF INDIA
STEEL
LOK SABHA**

UNSTARRED QUESTION NO:1163
ANSWERED ON:08.08.2011
FUNDS FOR STEEL COMPANIES
Jakhar Shri Badri Ram

Will the Minister of STEEL be pleased to state:

- (a) whether the new steel projects or the green field projects which require the involvement of the State Government have been delayed;
- (b) if so, the details thereof;
- (c) whether there has been difficulties in the expansion of the Brownfield companies and if so, the reasons therefor;
- (d) whether the steel companies are facing problems in mobilising the funds for these new Greenfield projects and the expansion of the Brownfield projects; and
- (e) if so, the reasons therefor and the steps taken by the Government to help the steel industry achieve its production and expansion targets?

Answer

THE MINISTER OF STEEL (SHRI BENI PRASAD VERMA)

(a)to(c): Steel is a deregulated sector. The role of Government is that of a facilitator. As far as the setting up of steel investments is concerned, the size and type of steel capacity expansion projects are decided by the individual investors on techno-commercial considerations. Current steel capacity in the country is approximately 78 million tonnes, which is expected to be in the range of 110-120 million tonnes by the year 2012-13. Most of these new capacities are being set up through modernization and expansion of existing steel projects (Brownfield). The new steel projects (Greenfield) have been delayed due to several reasons, mostly on account of land acquisition.

(d) Public sector steel units under Ministry of Steel have not reported any difficulty in funds arrangement for carrying out their steel expansion projects. Ministry of Steel is not directly associated with financing of steel projects in the private sector.

(e) An Inter-Ministerial Group (IMG) has been constituted in the Ministry of Steel to monitor and coordinate the issues concerning major steel investments. Ministry of Steel reviews the major integrated steel projects, on a regular basis in order to note the problems relating to environmental clearance and land acquisition issues and concerns of the investors. These are discussed, in the IMG meeting, for further action by the concerned Ministries/Departments and State Governments.