

**GOVERNMENT OF INDIA
STEEL
LOK SABHA**

UNSTARRED QUESTION NO:4854
ANSWERED ON:07.05.2012
PRICE HIKE BY NMDC
Kumar Shri P.;Ramasubbu Shri S.

Will the Minister of STEEL be pleased to state:

- (a) whether the proposed setting up of steel plants by NMDC is facing serious hurdle;
- (b) if so, the details alongwith the reasons therefor and the estimated cost of the project and the time by which the new plants are likely to be set up;
- (c) whether the Government proposes to expand the new projects in future;
- (d) if so, the details thereof and if not, the reasons therefor;
- (e) whether the steel makers have sought Government's invention in the hike in price of iron ore by NMDC; and
- (f) if so, the reaction of the Government alongwith the steps taken by the Government to help the small steel makers?

Answer

THE MINISTER OF STEEL (SHRI BENI PRASAD VERMA)

(a)&(b): No, Madam. NMDC is setting up a 3.0 million tonne per annum Integrated Steel Plant at Nagarnar, District Bastar, Chhattisgarh with an estimated cost of Rs. 15,525 crore. Work for the plant is under progress and the plant is likely to be commissioned in the Year 2014-15.

(c)&(d): The Integrated Steel Plant of NMDC at Nagarnar, District Bastar, Chhattisgarh is the first venture of NMDC into steel making and there is no proposal in the company, at present, to expand this project.

(e) Yes, Madam.

(f) NMDC being a Navratna Public Sector Undertaking (PSU), the commercial and financial decisions of the company are taken by the Board of Directors of NMDC. The issue of pricing of iron ore is decided by the Board of Directors of NMDC based on various factors including prevailing market conditions. Government has no direct role in commercial decisions of the company. However, to improve availability of iron ore to domestic iron and steel industry at affordable price, the Government has increased the export duty on iron ore from 20% ad valorem to 30% ad valorem on all grades of iron ore (except pellets) with effect from 30.12.2011.