

GOVERNMENT OF INDIA  
MINISTRY OF STEEL

**LOK SABHA**  
**UNSTARRED QUESTION NO.1333**  
FOR ANSWER ON 09/02/2022

**EASY ACCESS TO FINANCE**

1333. SHRI KHAGEN MURMU:

Will the Minister of STEEL be pleased to state:

- (a) whether the Government is aware of the fact that easy access to finance at a reasonable interest rate and conducive compliance requirements will benefit the Steel industry;
- (b) if so, the details of the steps that have been taken/proposed to be taken by the Government keeping in mind that costs on logistics, fuel, electricity and financing are higher in India when compared to other steel economies;
- (c) whether the Government is introducing remission of duties and taxes on exported products (RoDTEP) for steel exports that will create a level playing field against strong competitors from other countries; and
- (d) if so, the details thereof and if not, the reasons therefor?

**ANSWER**

THE MINISTER OF STEEL

(SHRI RAM CHANDRA PRASAD SINGH)

(a)&(b): As per instructions of Reserve Bank of India (RBI), Credit related matters have been largely deregulated. RBI has advised banks to put in place appropriate board-approved policies for their lending business. Rate of interest charged by Regulated Entities (REs) advances depends on a large number of factors such as cost of funds, cost of operations, credit worthiness of the borrower, riskiness of the loan portfolio, availability and type/quality of collateral, business strategy of the lender, market competition, profit expectations, etc. However, the steps towards easy access to finance to the industry including the steel sector have been taken, which include:

- a) Reserve Bank of India has reduced the repo rate from 6.5% in the beginning of 2019 to 4.0% as of August, 2020 which has helped to moderate finance cost.
- b) The Insolvency & Bankruptcy Code (IBC) has helped to address the Non-Performing Assets (NPAs) through Corporate Insolvency Resolution Process (CIRP). Restructuring of these stressed companies including steel companies, has led to better debt recovery and unlocking the tied-up funds in NPAs.
- c) Collateral-free automatic loans for businesses, including MSMEs.

(c)&(d): There is no proposal presently under consideration to include Iron & Steel sector (chap. 72 and 73) which are presently excluded from RoDTEP due to budgetary constraints.

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