

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2438
ANSWERED ON:10.03.2000
FUNDS BY IDBI TO ESSAR
K. KARUNAKARAN

Will the Minister of FINANCE be pleased to state:

- (a) whether attention of the Government has been drawn to the news report captioned 'Essar default-burden set to fall on tDBI' appearing in the 'Indian Express' dated January 31, 2000;
- (b) if so, the reaction of the Government thereto;
- (c) whether the IDBI has taken any steps to protect its interest in the Essar investment; and
- (d) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL) :

(a) to (d) Industrial Development Bank of India (IDBI) has reported, with reference to the news report in the Indian Express of 31st January, 2000 referred to in part (a) of the question, that the matter of extending support to partly fund the refinancing of Floating Rate Notes raised by Essar Steel Limited (ESL) is under consideration with Financial Institutions. IDBI have further reported that it has taken necessary steps to safeguard its interests. Decisions for extending financial assistance or restructuring of loans etc. are taken by the financial institutions concerned based on their considered commercial judgement and RBI guidelines on the subject.