

**GOVERNMENT OF INDIA
STEEL
LOK SABHA**

UNSTARRED QUESTION NO:1201
ANSWERED ON:04.03.2010
SETTING UP OF STEEL PLANTS
Reddy Shri Mekapati Rajamohan

Will the Minister of STEEL be pleased to state:

- (a) whether the Government has received proposals from some foreign companies for setting up of steel plants in the country;
- (b) if so, the details thereof; and
- (c) the action taken by the Government thereon?

Answer

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

(a)&(b): As per Foreign Direct Investment (FDI) Policy of Government of India 100% FDI is allowed in steel through automatic route.

However, as per the information available in the Ministry of Steel, there are two major Foreign Direct investment in the steel sector for setting up integrated steel projects in the country. These are, Arcelor Mittal India Limited and Posco India Limited. They have signed Memorandum of Understanding (MoUs) with the State Governments of Orissa and Jharkhand to set up new steel units in the country as per the following:-

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No.	Name of the Company and Location of MoU	Location	Date of signing	Proposed Capacity in MTPA	Estimated Investment in Rs. in crore
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1.	M/s POSCO India Project (P) Ltd.,	Jagatsinghpur, Orissa	22.06.05	12.00	51,000
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2.	M/s. Arcelor Mittal Limited	Keonjhar, Orissa	08.10.05	Integrated Steel Plant	40,000
					-1200

3.	M/s. Arcelor Mittal India Limited	Jharkhand	8.10.05	Extended Integrated up to - Steel Plant	40,000
					07.10.10 - 12.00

(c) Since the extent policy allows 100% foreign direct investment in steel sector through automatic route, the role of the Government remains that of a facilitator.