

**GOVERNMENT OF INDIA  
STEEL  
LOK SABHA**

UNSTARRED QUESTION NO:958  
ANSWERED ON:28.11.2011  
POSCO STEEL PLANT  
Satpathy Shri Tathagata

**Will the Minister of STEEL be pleased to state:**

- (a) whether the South Korean Steel major POSCO has decided to set up a Steel Plant in India in collaboration with the Steel Authority of India Limited (SAIL);
- (b) if so, the details thereof alongwith the progress made so far in this regard;
- (c) whether POSCO has raised certain reservations over its proposed steel plants in Odisha;
- (d) if so, the details thereof alongwith the reaction of the Government thereto; and
- (e) the time frame by which the plant is likely to be commissioned?

**Answer**

THE MINISTER OF STEEL (SHRI BENI PRASAD VERMA)

(a)&(b): SAIL and POSCO entered into a Memorandum of Understanding (MoU) to commence Joint Feasibility Study for establishment of a Joint Venture (JV) Company for finex technology based steel plant and production and commercialization of Cold Rolled Non-Oriented (CRNO) products. Based on the outcome of the Feasibility Study definitive agreements could be executed subject to approval of respective Boards. In pursuance of the MoU, a feasibility report has been prepared jointly by SAIL and POSCO which envisages a Finex technology based steel plant of 3 mtpa capacity at Bokaro and a 300,000 tonnes CRNO unit at Vile Bhagad Industrial Area in Maharashtra.

(c)&(d): As per the information received from the State Government of Odisha, POSCO has intimated to implement 12.00 Million Tonne Per Annum (MTPA) Steel Plant in 3 phases instead of 2 phases as committed in the executed MoU dated 22nd June, 2005. The State Government is actively considering the revised schedule of implementation proposed by POSCO.

(e) As per the revised implementation schedule communicated to the State Government of Odisha by POSCO, the first phase of the steel plant is targeted to be commissioned in 36 months from the date of starting of plant construction, Phase-2 of the project is targeted to be commissioned in 36 months from commissioning of Phase-I and Phase-3 is targeted to be commissioned in 36 months from commissioning of Phase-2.