

**GOVERNMENT OF INDIA
STEEL
LOK SABHA**

UNSTARRED QUESTION NO:472
ANSWERED ON:26.11.2012
SETTING UP OF STEEL PLANTS
Siddeswara Shri Gowdar Mallikarjunappa

Will the Minister of STEEL be pleased to state:

- (a) the number of Memorandum of Understanding (MoUs) signed between the Government and private players for setting up of steel plants in the country during the last three years, year-wise, State-wise and company-wise;
- (b) the present status and progress of each of such MoUs;
- (c) whether several companies are yet to start setting up plants as proposed under the MoUs;
- (d) if so, the details of such companies and the reasons therefor; and
- (e) whether Ministry proposes to review the MoUs in view of inordinate delay in setting up of steel plants?

Answer

THE MINISTER OF STEEL (SHRI BENI PRASAD VERMA)

(a)&(b): As per the available information in the Ministry of Steel, the details of MoUs signed by various State Governments during the last three years are given at Annexure-A.

Steel is a de-regulated sector and Memorandum of Understanding (MoU) is purely an understanding between the concerned State Government and the respective steel investors. Ministry of Steel does not monitor the progress of MoUs.

(c)&(d): Yes, Madam. It is a fact that several companies could not start setting up plants as per their respective MoUs. Major factors limiting the progress of the steel projects in the country include non-availability of adequate land, raw material linkages, environmental clearances besides the effect of market downswings and opposition by the local people.

Although progress of each and every steel project is not monitored by the Ministry of Steel, some of the major steel projects where no noticeable progress has been made from date of signing of MoUs are as follows:

Company	State	Capacity	Year of signing of MoU	Status
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Tata Steel Odisha Limited	Odisha	6 mtpa	2004	Preliminary work on land acquisition, rehabilitation and resettlement is on. Company has sought grant for mining lease from the State Government. Order for equipment and services has been placed and some consignments have already arrived.
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Chhattisgarh	Chhattisgarh	5 mtpa	2005	Land has been acquired by State Government, approval received for drawing water from Sabri river, Ministry of Railways has granted in-principle approval for railway corridor, public hearing for the Environment Clearance successfully conducted. Prospecting License for iron ore granted in Bailadila-I deposits.
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JSW Steel West Limited	West Bengal	10 mtpa	2007	Financial closure is under planning
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Jharkhand 10 mtpa 2005 Approvals for setting up the project are being pursued.

Posco India Odisha 8 mtpa 2005 Land Acquisition facing local protest; MoU expired, revived with capacity Limited scaled down at 8 mtpa from 12 mtpa

Arcelor Jharkhand 12 mtpa 2005 Land acquisition under-way
Mitta
1
India

Limited

Odisha 12 mtpa 2006 Land availability still a major issue.

(Source: Joint Plant Committee)

(e) No, Madam.