

GOVERNMENT OF INDIA
MINISTRY OF STEEL
RAJYA SABHA
QUESTION NO 12.11.2010
ANSWERED ON
STEEL PROJECTS IN JHARKHAND .

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Shri Dhiraj Prasad Sahu

Will the Minister of COALCOALCOALCOALSTEEL be pleased to state :-

- (a) the number of steel projects under construction/being implemented in Government and private sector in the country particularly in the State of Jharkhand;
- (b) whether Government is aware of the fact that there have been time and cost overrun in the completion of several projects of the steel sector;
- (c) if so, the details thereof;
- (d) whether reasons for delay have been identified;
- (e) if so, the details thereof; and
- (f) the steps taken by Government in this regard?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF STEEL

(SHRI A. SAI PRATHAP)

(a) As per the information available in the Ministry of Steel, 222 Memorandum of Understanding (MoUs) have been signed by various State Governments for setting up various steel units in their respective states for total capacity of approximately 276 million tonnes, out of which 65 investors have signed Memorandum of Understandings / Agreements with Government of Jharkhand to set up iron and steel projects.

(b) to (e): Steel sector in the country is deregulated and hence, the projects are being implemented by the individual investors, based upon techno-commercial considerations. There is no information available in the Ministry of Steel on time and cost overrun. However, the status of some of the important steel projects are reviewed in the Ministry of Steel, on regular basis. Based on the information furnished by the investors, the brief status of each important steel project is annexed.

(f) In July 2008, Ministry of Steel has constituted an Inter Ministerial Group (IMG) under the Chairmanship of Secretary (Steel). The group is represented by other Ministries / Department of the Central Government such as Industrial Policy & Promotion, Railways, Shipping, Road Transport & Highways, Mines, Environment & Forests, as well as the Chief Secretaries of the concerned State Governments. The main Terms of Reference (ToR) of the IMG are to review and coordinate measures for early completion of the major steel capacities and to address various problems concerning: for infrastructure, raw material, environmental clearance and land, water resources and rehabilitation. Inter Ministerial Group is a standing coordinating body and conducts coordination meetings at regular intervals.

Annexure Major Private Sector Investment

1. Brownfield Projects

Tata Steel, Jamshedpur (Jharkhand) Unit, from 5 million tonnes per annum to 10 million tonnes per annum. 1.8 million tonnes per annum commissioned in May 2008.

JSW Steel Ltd., Vijayanagar (Karnataka) Unit, from 4 million tonnes per annum to 11 million tonnes per annum. 2.9 million tonnes per annum commissioned in February 2009.

Essar Steel Ltd., Hazira (Gujarat) Unit, from 4.6 million tonnes per annum to 8.5 million tonnes per annum.

Jindal Steel & Power Ltd. (JSPL), Raigarh (Chhattisgarh) Unit, from 1.2 million tonnes per annum to 6 million tonnes per annum. 1.2 million tonnes per annum commissioned in 2008.

All brownfield projects of private sector moving as per schedule.

2. Greenfield Projects

(i) Bhushan Power & Steel Ltd at Jharsuguda (Orissa)

Proposed capacity 6 million tonnes per annum. Proposed investment Rs. 3500 crore. 1400 acres of land acquired and 1.2 million tonnes per annum commissioned and operational.

(ii) Bhushan Steel Ltd., Dhenkanal (Orissa)

Proposed capacity 4 million tonnes per annum. Proposed investment Rs. 10000 crore. 2000 acres of land acquired in Dhenkanal and Angul 0.8 million tonnes per annum already commissioned and working.

(iii) Tata Steel Ltd., Kalinga Nagar (Orissa)

Proposed capacity 6 million tonnes per annum in two phases of 3 million tonnes per annum each. Proposed investment Rs. 15,400 crores. Lease deed for 3040.37 acres of land signed in 2005. However physical possession of site could not be taken due to law and order problem and violent agitation.

(iv) Essar Steel Limited, Paradeep (Orissa)

Proposed capacity 6 million tonnes per annum in two phase of 3 million tonnes per annum each. Proposed investment is Rs. 22,600 crore. Land requirement is 1895 acres, out of which 271 acres physically transferred. Company is focusing on 6 million tonnes per annum pellet plant.

(v) JSW Steel Ltd., Medinipur (West Bengal)

Proposed capacity 10 million tonnes per annum. Out of 4454 acres of land required, 3800 acres physically transferred to the company.

(vi) Jindal Steel & Power Ltd. (JSPL), Angul (Orissa)

Proposed capacity 6 million tonnes per annum. Proposed investment 22500 crores. 1725 acres of land in physical possession, out of total requirement of 5750 acres. 2 million tonnes per annum capacity likely to be achieved by June 2011.

(vii) Jindal Steel & Power Ltd. (JSPL), Patratu (Jharkhand)

Proposed capacity 6 million tonnes per annum. Proposed investment Rs. 22000 crores. Erstwhile Bihar Alloy & Steel company acquired through Debt Recovery Tribunal Auction. 600 acres land with original company. 964 acres further acquired. Total land requirement 3114 acres. 3 million tonnes per annum likely to be commissioned by March 2012.

(viii) Posco India Project at Jagatsinghpur district in Orissa

Proposed capacity 12 million tonnes per annum in 3 phases of 4 million tonnes per annum each. Proposed investment US\$ 12 Billion (approx Rs. 51000 crores). Mou signed in June 2005. Total land required 4004 acres for the project site (Government 3566 acres and private 438 acres). Administrative approval has been accorded for transfer of Ac 437.69 of private land. Forest Diversion Clearance (Stage – II) was communicated by Ministry of Environment and Forest (MoEF) on 29.12.2009, for diversion of 1253.225 Hectares of forest land. However, based on reporting of violations of 'Scheduled Tribes and other Traditional Forests Dwellers (Recognition of Forest Rights) Act 2006, Ministry of Environment and Forest, Government of India, on 05.08.2010, has advised the State Government to suspend all works at Posco site, until further advice in this regard.

(ix) Arcelor Mittal India Ltd.

(a) Orissa Greenfield Project

Proposed capacity 12 million tones per annum in two phases of 6 million tones per annum each. Project investment – Rs. 40000 Crores. Total land required 7752 acres identified in village Patna, district Keonjhar. Land under scheduled ares. Consent of Gram Sabha being obtained.

(b) Jharkhand Greenfield Project

Proposed capacity 12 million tones per annum in two phases of 6 million tones per annum each. Project investment – 40000 Crores. Total land requirement 8845 acres. Already identified in Topra – Kamdara in Ranchi area. Land under scheduled area. Law and orders situation not allowing company for further progress.