

(b) whether nearly two years ago, then Minister of Steel laid the foundation stone of the proposed steel plant at IGC Lasipora Pulwama;

(c) whether the land transferred to the department for establishing the steel plant is still under its possession; and

(d) the reason why the proposed steel plant has not come up and by when the construction work of the steel plant would start?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL (SHRI A. SAI PRATHAP): (a) The proposal for setting up a Steel Processing Unit (SPU) at Srinagar, Jammu and Kashmir was approved “in-principle” by Steel Authority of India Limited (SAIL) in April, 2008.

(b) The foundation stone was laid in September, 2008.

(c) A total of 25 acres of land at Lasipora in Pulwama district has been acquired by SAIL in October, 2009.

(d) The work on setting up the SPU is expected to commence after Stage-II (final) approval by SAIL Board and it will take 18 months for commissioning from Stage-II approval.

Agreement between multinational companies and Government

4768. SHRI T.K. RANGARAJAN: Will the Minister of STEEL be pleased to state:

(a) the details of MoUs signed for mining and setting up of steel plants in the country with multi-national companies;

(b) the details of the terms of these agreements;

(c) whether companies are also allowed to export iron-ore from India as per these agreements; and

(d) if so, the percentage of iron-ore would be processed in the units set up in the country by these companies, company-wise and location-wise?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL (SHRI A. SAI PRATHAP): (a) As per the available information in the Ministry of Steel, two of the major foreign direct investors *i.e.* Arcelor Mittal India Limited and Posco India Limited 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:—

Sl. No.	Name of the Company and Location	Location and State	Date of signing of MoU	Proposed Capacity in MTPA	Estimated Investment (Rs. in crore)
1	2	3	4	5	6
1.	M/s POSCO India Project (P) Ltd.	Jagatsinghpur, Orissa	22.06.05	12.00 (to be implemented in four phases)	51,000

1	2	3	4	5	6
2.	M/s. Arcelor Mittal Limited.	Keonjhar, Orissa	21.12.06	Integrated Steel Plant — 12.00 (to be implemented in four phases)	40000
3.	M/s. Arcelor Mittal India Limited.	Jharkhand	8.10.05	Integrated Steel Plant-12.00 (in two phases)	40000

(b) The details of the terms of MoU in respect of Posco India Ltd., Orissa and Arcelor Mittal Limited, Jharkhand are given in the Statement-I and II (*See* below). The details of the terms of MoU in respect of Arcelor Mittal Limited, Orissa will be laid on the table of the House.

(c) M/s. POSCO India is allowed to export iron ore from Orissa as per the conditions of MoU.

There is no information in respect of export of iron ore from India as per the MoU with, Arcelor Mittal Limited and Government of Orissa and Jharkhand.

As per the terms of MoU, POSCO may swap certain quantities (not exceeding 30% of the total requirement for the Paradeep Plant annually) of such iron ore which have high alumina content with equal quantity of low alumina content iron ore of better Fe content imported for blending, in order to produce better quality steel in the Paradeep Project and conserve energy. Any export of iron ore by way of swap will be allowed only after an equivalent quantity of ore has been imported for the plant. The extent of the above quantity of iron ore by way of replacement for equal quantity of import of higher grade iron ore will be within the framework of the Export-Import Policy of the Government of India applicable from time to time. It is clarified that no export of iron ore will be allowed from the captive mine except by way of full replacement through import of equal quantity of high grade ore and within the limits mentioned above.

(d) Since the projects are very preliminary stage, such details are not available.

Statement-I

Salient features of the MoU entered into between Government of ORISSA and M/s. POSCO India Project

1. POSCO has proposed to set up a 12 million tonnes integrated steel plant at Paradeep, district Jagatsinghpur, Orissa.
2. The project would be implemented in two phases. Each phase will have two modules of 3 million tonnes per annum crude steel capacity.
3. Proposed investment is of the order of around US \$ 12 billion (Rs. 51,000 crores approximately).

4. First module of Phase-1 is to be commissioned by July, 2010. 3 million tonnes capacity will be added every two years. Whole project is likely to be commissioned by July, 2016.
 5. The product mix is slabs, hot rolled coils, plates and cold rolled coils.
 6. POSCO will also set up infrastructure necessary for the integrated steel plant, related projects and related mining of iron ore and other ores.
 7. The company will require approximately 6000 acres of land for steel project, associated facilities, including township.
 8. The cost of the private land will be in accordance with the provisions of Land Acquisition Act and incidental charges as mutually agreed upon. For Government land, the company shall pay as per the rates determined by the prevailing Industrial Policy Resolution. For Forest land, the company shall pay the rates determined under the applicable Rules. The Government of Orissa will assist the company in acquisition of land.
 9. For rehabilitation of displaced families, Rehabilitation and Resettlement Package would be implemented as per prevailing guidelines and practices.
 10. The State Government will recommend to the Government of India for allotment of a suitable coal block and coal linkage until it is ready for mining of its coal block.
 11. The company will need 600 million tonnes of iron ore. The company may swap certain quantities (not exceeding 30% of the total requirement of the Paradeep plant annually) of such iron ore which have high alumina content with equal quantity of low alumina content iron ore. Any export of iron ore by way of swap will be allowed only after an equivalent quantity of ore has been imported for the plant. The extent of the above quantity of iron ore by way of replacement for equal quantity of import of higher grade iron ore, will be within the framework of the Export-Import Policy of the Government of India applicable from time to time. It is clarified that no export of iron ore will be allowed from the captive mine except by way of full replacement through import of equal quantity of high grade ore and within the limits mentioned above.
 12. Prospecting licenses and captive mining leases for 600 million tonnes of iron ore would be granted in accordance with the prescribed procedure and completion of required milestones as specified in the MoU including approvals of GOI.
 13. Recommendation of mining lease will be made in two phases, commensurate with the first two modules and the last two modules of 3 million tonnes each based on progress and investment made therein.
 14. The State Government will assist the company to make arrangement for meeting iron ore requirement of suitable grade from OMC alongwith other private iron ore leases in the State for initial period under mutually agreeable terms and conditions, if required by the company.
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15. Iron ore mining leases shall be granted initially for a period of 30 years and will be considered for renewal on an application by the company before expiry, for another 20 years.
 16. Export of additional 400 million tonnes of iron ore from India for existing steel plants of POSCO in South Korea would be regulated by the prevailing EXIM Policy. No min-able reserves would be provided purely for the purpose of the direct exports.
 17. The Government of Orissa agrees to provide all possible assistance to the company for acquiring mineral concession for limestone and dolomite within the ambit of the MMDR Act and MC Rules.
 18. State Government will facilitate suitable long terms arrangement with OMC and other leases for supply of chrome ore to meet the requirement of the plant.
 19. Water will be provided from suitable source(s) for construction and operation as per the prevailing rates, subject to availability.
 20. The Government of Orissa will ensure supply of 25 MW power during the construction stage. During the operation phase, the State Government will make best efforts to meet power requirements.
 21. For captive power plant, the State Government will facilitate fuel linkages, if required.
 22. The State Government would consider granting to the company such incentives and concessions as are provided in the relevant Industrial Policy Resolution in force on this date.
 23. The State Government shall recommend to the Central Government and facilitate granting of Special Economic Zone status as required by the company.
 24. The State Government shall coordinate with the Ministry of Railways for early completion of Daitari-Banspani rail link, development of Haridaspur-Paradeep rail link and Banspani-Paradeep rail link.
 25. The State Government shall provide all support to facilitate the early completion of the National Highway between Haridaspur (Chandikhol) and Paradeep and for upgradation of State Highway from Cuttack to Paradeep to a two lane road.
 26. The State Government shall actively consider construction of two lane, free access public roads connecting the steel project, the mine project and the integrated township development to the nearest National Highway or State Highway.
 27. The State Government shall assist for developing a new minor port adjacent to the existing major port of Paradeep and dedicated berth at Paradeep, if required within the existing policy provisions.
 28. The State Government shall establish a special "Single Window Clearance Committee" to ensure clearances under State laws from agencies/departments within specified time limits.
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Statement-II

*Salient features of the MoU entered into between Government of Jharkhand and
M/s. Mittal Steel (Currently Arcelor Mittal India Limited)*

1. M/s. Mittal Steel envisages to develop own and operate in the State of Jharkhand an integrated steel manufacturing operation comprising a steel mill, iron ore mines, a captive power plant, a township and related infrastructure with an investment of Rs. 40,000 crores (Rupees Forty Thousand Crores only) for the 12 million tonnes steel project.
 2. Within eighteen (18) months from the date of signing of the MoU, M/s. Mittal Steel or its affiliates will submit a Detailed Project Report (DPR) which shall include an implementation schedule for the project.
 3. Land requirement will be as follows:—
 - (i) Steel plant and associated facilities: — 5,000 hectares.
 - (ii) Power plant/downstream facilities/ancillary units and other allied facilities: — 3,000 hectares.
 - (iii) Township, recreational activities and all related social infrastructural development: — 2,000 hectares.
 4. Government of Jharkhand agrees to consider recommending grant of new mining leases in favour of M/s. Mittal Steel, subject to and in accordance with applicable laws for 600 million tonnes of mineable iron ore reserves sufficient for first 30 years of operation and Government of Jharkhand further agrees to reserve an additional 400 million tonnes of mineable iron ore reserve sufficient for the next 20 years, of operation.
 5. Government of Jharkhand agrees to consider recommending grant of new mining leases in favour of M/s. Mittal Steel, subject to and in accordance with applicable laws, for 1.28 billion tonnes of mineable coal reserve. Similarly Government of Jharkhand agrees to consider recommending to Government the grant of Manganese blocks identified in the DPR.
 6. The requirement of water for the steel plant is estimated at 10,000 cubic meters per hour at a capacity of 6 million tonnes of steel per annum. Subject to applicable laws, Government of Jharkhand will allocate and allow M/s. Mittal Steel to draw the required quantity of water.
 7. Government of Jharkhand will endeavour to facilitate grant of necessary permission to M/s. Mittal Steel to develop/construct weirs, barrages, dams etc. on the rivers.
 8. Government of Jharkhand will facilitate the supply of 40-50 MVA at the construction stage through Jharkhand State Electricity Board (JSEB) as per tariff fixed by Jharkhand State Electricity Regulation Commission (JSERC). Government of Jharkhand further agrees to facilitate the setting up of a mega power plant, if M/s. Mittal decides to set up such a plant of about 2500 MW.
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9. Government of Jharkhand will actively pursue with Government of India and Ministry of Railways to provide railway linkages to the steel plant, mines and collieries from the nearest railway routes and to strengthen the identified railway linkages.

M/s. Mittal Steel will construct roads connecting the project to the nearest NH or State Highway and Government of Jharkhand will facilitate the construction of such roads including grant of necessary permission.
 10. M/s. Mittal Steel will examine the viability of establishing dedicated berths at the existing ports at Haldia/Paradip/Dhamra/Gopalpur and Government of Jharkhand will endeavour to facilitate procuring of such detailed berthing facilities for the project.
 11. Government of Jharkhand shall consider recommending to the Government of India and facilitate granting of Special Economic Zone (SEZ) status to the project in accordance with applicable laws.
 12. M/s. Mittal Steel and/or its affiliates will undertake, at their cost, relocation and rehabilitation of families that may be displaced or relocated in connection with the project, in accordance with applicable laws.
 13. The areas of cooperation may include other issues which shall be decided through mutual agreement on a case-to-case basis.
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Meeting of steel producers

4769. SHRI SYED AZEEZ PASHA: Will the Minister of STEEL be pleased to state:

- (a) whether Government has convened a meeting of all major primary and secondary steel producers to preclude abnormal increase in the price of steel;
- (b) if so, the results of this meeting;
- (c) the total quantity of steel produced in the country in 2008-09 and 2009-10;
- (d) whether it is a fact that Government is following a deliberate policy of eradicating small producers of steel in favour of consolidation of mega producers of steel; and
- (e) if so, the steps proposed to review this policy of favouring giant steel companies?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL (SHRI A. SAI PRATHAP): (a) and (b) Ministry of Steel had convened a meeting of major integrated steel producers on 22.04.2010 to discuss issues regarding production, demand and market price of steel. Issues concerning international and domestic steel production, demand in the market, price movement of raw materials and steel as well as the short term outlook in the steel market were discussed in the meeting.