

**GOVERNMENT OF INDIA
STEEL
LOK SABHA**

UNSTARRED QUESTION NO:840
ANSWERED ON:28.11.2005
INVESTMENT IN STEEL INDUSTRY
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Will the Minister of STEEL be pleased to state:

- (a) whether the Government has approved Rs.3 lakh crore investment in the steel industry;
- (b) if so, the respective shares of the private and public sector and the FDI; and
- (c) the future proposals of the Government in this regard?

Answer

MINISTER OF CHEMICALS & FERTILIZERS AND MINISTER OF STEEL (SHRI RAM VILAS PASWAN)

(a)to(c): Since the steel industry is de-licensed and de-regulated, individual steel plants in the private sector are free to make investments without obtaining Government approval. Furthermore, there is no restriction of FDI infusion into the steel industry.

In the case of the public sector, Steel Authority of India Limited (SAIL), a Navratna PSU under the administrative control of Ministry of Steel, is free to make its down expansion plans without Government approval. They have drawn up a Corporate Plan (including IISCO) for achieving a growth in production to about 22.5 million tonnes of Hot Metal by 2012 at an estimated expenditure of Rs.35,000 crores. This investment would be largely financed from SAIL`s internal resources.

Rashtriya Ispat Nigam Limited (RINL), another public sector undertaking, has drawn up an expansion proposal to increase the liquid steel capacity from 3 million tonnes to 6.3 million tonnes with an investment of Rs. 8,692 crore by 2008-09, which would be financed from internal resources of RINL. Recently the Government has accorded its approval for this project.