

**GOVERNMENT OF INDIA
STEEL
LOK SABHA**

UNSTARRED QUESTION NO:6781
ANSWERED ON:06.05.2010
EXPANSION OF VSP
Khairi Shri Chandrakant Bhaurao

Will the Minister of STEEL be pleased to state:

- (a) whether the Government has approved any plan for the expansion of the Visakhapatnam Steel Plant;
- (b) if so, the details thereof including the source of investment;
- (c) whether the international market and export trends have been carefully assessed and incorporated into the risks inherent in huge investments;
- (d) if so, whether the plant is dependent on continued demand only from China; and
- (e) if so, the steps proposed to assess the potential returns on the huge investment being planned by the Steel Plant?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF STEEL (SHRI A. SAI PRATHAP)

(a)to(c): The Central Government had approved an expansion plan of Rashtriya Ispat Nigam Ltd. (RINL), Visakhapatnam Steel Plant (VSP) so as to augment its liquid steel production capacity from 3.0 million tonne per annum to 6.3 million tonne per annum. The expansion project is envisaged to be fully financed through the company's internal accruals and loans raised from financial institutions/banks. The expansion plan was approved after consideration of a Techno Economic Feasibility Report prepared after taking into account present demand, future requirements and installed capacities / ongoing expansion schemes inside the country, strengths and risks involved and overall availability / demand in the coming years.

(d) No, Madam.

(e) Does not arise.