

JSW Steel to enhance capacity at Vijayanagar to 18 mtpa with ₹18,000-crore investment

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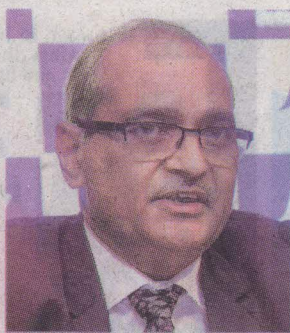
Mumbai, April 11

JSW Steel plans to ramp up the production capacity at its Vijayanagar plant in Karnataka to 18 million tonnes per annum from the current 12 mtpa with an investment of about ₹18,000 crore.

It has an ongoing project to raise production at the plant from 12 mtpa to 13 mtpa, which will be completed by March 2020.

Seshagiri Rao, Joint Managing Director, JSW Steel, said the company already has the requisite permission to enhance output at Vijayanagar up to 16 mtpa. Depending on iron ore availability, production will be raised to 18 mtpa.

On the cost front, he said



Seshagiri Rao, Joint Managing Director, JSW Steel

steel companies typically spend ₹5,000-6,000 crore for setting up 1 mtpa of steel production capacity, but JSW Steel has managed it at ₹3,500 crore. The cost of brownfield expansion at Vijayanagar will be much lower,

at about ₹3,000 crore, he said.

On the availability of iron ore in Karnataka, Rao said the company has won six iron ore mines and started production at three mines while efforts are on to operationalise the remaining ones.

JSW Steel should be able to source 6 mtpa of iron ore when all the mines are operational by the end of this fiscal, he added.

Rao said there will be no need for the company to rely on imported iron ore this fiscal with enough supply in Odisha and Chhattisgarh.

Cost-saving projects

JSW Steel has also undertaken a few projects at Vijayanagar to bring down the cost of operations over the long term.

It is setting up a 1.5 mtpa coke oven plant to bridge the current and expected gaps in coke availability, which is likely to be commissioned by March 2020.

The current expansion project at Vijayanagar includes the revamp and capacity upgradation of Blast Furnace-3, which will improve hot metal availability. The company will also modify and enhance the capacity of its Steel Melting Shop, the flat and long products mills, along with allied facilities to utilise this additional hot metal output.

With these projects targeted to be completed by March 2020, the crude steel capacity of JSW Vijayanagar Works unit will increase to 13 mtpa.