

Tata Steel plans 30 mt India capacity by 2025

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Tata Steel is eyeing an installed capacity of 30 million tonnes (mt) by 2025 from the existing 18.5 mt.

The company plans to achieve the capacity through brownfield expansion across its plants in Jamshedpur (Jharkhand), Kalinganagar (Jajpur district of Odisha), the newly acquired Bhushan Steel, and the Usha Martin steel facility, for which it has signed an agreement. "Our aim is to cross 30 mt by 2025. It's an aspiration. We have got a line of sight up to 27-28 mt. The balance should happen," said Anand Sen, president of steel business at Tata Steel.

At present, Tata Steel has a capacity of about 18.5 mt. Jamshedpur is at around 10 mt and Kalinganagar at 3 mt. "Bhushan Steel did around 3.5 mt last year. We took over in May-end and are expecting it to clock in around 4.3 mt this year. But we can see our way towards 5.6 mt," Sen said.

Small capital expenditure might be required for the purpose. It was being worked out, but could be in the range of ₹5 billion and ₹10 billion, he said.

"Our assessment showed it could cross 8 mt, but for that a new blast furnace would have to be put up. It would be like a second phase. So, the



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first attempt was to quickly cross 5 mt," said Sen.

Bhushan Steel was acquired by Tata Steel through India's new insolvency and bankruptcy process.

The Kalinganagar second phase, which would take the capacity from 3 mt to 8 mt, would be completed by 2021 or early 2022.

Also, in September, Tata Steel had signed an agreement to acquire Usha Martin's steel business, which, Sen said, could do around 1.5 mt. Jamshedpur plant, which is currently at around 10 mt, could go up to 13.5 mt.

Sen was speaking on the eve of announcement of the 56th Metallurgists' Day and 72nd Annual Technical Meeting organised by the Indian Institute of Metals in associa-

tion with Tata Steel.

The numbers discussed by Sen roughly add up to about 28.6 mt. Further debottlenecking at any of the facilities could help Tata Steel achieve the target.

The steel demand in the country was growing at a rate of 6.6-7 per cent. In the last 10-12 years, it had been lagging behind the GDP growth rate but announcements on government projects have helped improve the demand scenario.

Domestic steel consumption grew at 9.2 per cent year-on-year in Q1FY19 compared with 7.9 per cent registered in FY18. The second quarter was stable, said Peeyush Gupta, vice president, steel marketing and sales, Tata Steel.

Steel companies are cashing in on the upturn in the steel cycle to add capacity.