

JSW Steel Plans to Invest Over ₹5k cr to Boost Downstream Production Capacity

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New Delhi: JSW Steel plans to pump in over ₹5,000 crore to strengthen its downstream manufacturing capacity and is also keen to pursue stressed downstream assets that will come up for bidding in the next round.

JSW Steel, which announced a capex investment programme of nearly ₹45,000 crore to expand its capacities in Karnataka and Maharashtra, is planning to invest over ₹5,000 crore to strengthen its downstream manufacturing capabilities, company's joint MD Seshagiri Rao said.

This will enable the company to re-orient its product mix and focus on high value special steel products and customisation, he said.

"As part of its effort to ramp up downstream capabilities, JSW Steel will also pursue stressed downstream steel assets that will come up for bidding in the next round," he added. "The next set of assets is either downstream or very small capacities. So, if it makes sense to our downstream integration strategy. We will evaluate the asset and pursue," Rao said.

The investment in downstream capabilities by JSW Steel is aimed at capitalising the incremental demand expected to be generated across sectors for specialised steel. While 300 MT of steel consumption is expected to come in, the steel intensity across applications is coming down. "This is where the demand for very high value steel products is rising. Circular economy is becoming very active," Rao said.

He added that while overall capacity of JSW Steel will grow by 40% over the next three years, the downstream capacity will increase by 60%, colour coated capacity will go up by 140% and tinplate capacity will increase six-folds.

The company expects special steel products to contribute 40 per cent of its future volumes while customisation products will add the rest 60 per cent.

"We are not going to produce commodity. Basis our very customised steel portfolio and high-end value-added product mix, the business will become less volatile," Rao said.