

Tata Steel to firm up iron ore supplies for Kalinganagar

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After Tata Steel's board decided to freeze the final capacity of the Kalinganagar greenfield steel plant at 8 million tonnes per annum (mtpa), the company is firming up iron ore sources to meet the enhanced requirement. The expansion from 3 mtpa to 8 mtpa will cost Tata Steel ₹23,500 crore.

The project configuration and costs include investments in raw material capacity expansion, upstream and midstream facilities, and infrastructure and downstream facilities, including a cold rolling mill complex.

Tata Steel's captive iron ore mines at Khandabandh will be dedicated exclusively to the Kalinganagar steel project. The company is investing ₹2,400 crore to expand the capacity of the Khandabandh mines from 1 mtpa to 5 mtpa. "We expect to receive consent from the state pollution control board shortly to expand capacity of the Khandabandh iron ore mines.

ROADMAP TO 8-MILLION TONNE CAPACITY

- Tata Steel board has approved expansion of Kalinganagar plant to 8 mtpa
- Company investing ₹23,500 cr on crude steel expansion
- To secure iron ore supplies, the company is investing ₹2,400 cr on expanding

Khandabandh mines capacity to 5 mtpa

- Tata Steel's mines at Joda East and Noamundi will also meet Kalinganagar's requirement
- The company also looking at participating in e-auctions of iron ore blocks

Apart from the Khandabandh mines, our captive mines at Joda East and Noamundi will also cater to the Kalinganagar plant's requirements," said a source in Tata Steel. After reaching its full design capacity of 8 mtpa, the Kalinganagar plant will need 13.6 million tonnes of iron ore annually. Tata Steel is also planning to participate in auctions of iron ore blocks by the Odisha government.

Earlier, the company unsuccessfully bid for three iron ore blocks in e-auctions. The blocks were won by Essar Steel, Bhushan Steel and Bhushan Power

& Steel. Tata Steel is also examining the possibility of clinching a long-term pact with state-owned Odisha Mining Corporation (OMC) to secure iron ore for its Kalinganagar plant. On a trial basis, the steel maker has signed an agreement with OMC valid for one year. Tata Steel expects to commission expansion at Kalinganagar in 48 months from the date of commencement of construction.

The second phase capacity addition is planned to meet the requirements of automotive, general engineering and other value-added segments.