

JSW Steel to pump in ₹7,500 cr to expand Vijayanagar facility

Starts iron ore mining in Karnataka, adds 1 mtpa capacity



Vinod Nowal (centre), Deputy Managing Director, announcing the capacity enhancement of JSW Steel Vijayanagar at Toranagal in Ballari district, Karnataka, on Wednesday. **BM SIDDALINGASWAMY**

Subsequently, it plans to enhance capacity of the steel melting shop and allied facilities to use the additional hot metal, said the company in a statement on Wednesday.

The company will also set up a 1.5 mtpa coke oven plant at Vijayanagar to bridge the shortfall in coke availability. The coke oven unit, which is expected to be completed by March 2020, will provide significant cost savings.

Vinod Nowal, Deputy Managing Director, JSW Steel said the new capacity creation supports the company's growth plans and improve operational efficiency.

JSW Steel is focusing on enriching its product mix by increasing the share of value added and special steel products. It is expanding the

capacity of CRM-1 (cold rolling mill) complex from 0.8 mtpa to 1 mtpa and setting up a 0.3 mtpa colour coated line. The CRM-2 unit produces Ultra High Strength steel for automobile companies. These auto grade steel products were earlier largely imported by the companies.

"JSW steel is the only steel manufacturer in India capable of supplying this automobile grade, which were earlier largely imported, thus enabling import substitution and helps conserve foreign exchange outgo. Over the years, JSW Steel has been able to establish its position as a preferred supplier of the Indian automobile industry with a substantial market share across automobile majors", Nowal said.

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JSW Steel has started iron ore mining at Tunga and Nandi mines in Karnataka and plans to produce 0.71 mtpa this fiscal. The company expects statutory clearances for the remaining three mines in this fiscal for taking the overall iron ore production to 4.66 mtpa. The mines, which are 35 km away from its plant, were acquired through an auction in 2017.

When fully operational, these mines would fulfil about 20 per cent of the iron ore requirement in Karnataka.

JSW Steel plans to undertake various cost reduction projects and increase production capacity by one million tonnes per annum (mtpa) to 13 mtpa at its Vijayanagar plant in Karnataka with a cumulative investment of ₹7,500 crore in next two years.

It is already in the process of ramping up capacity of Blast Furnace-3 at Vijayanagar to improve hot metal supply.