

Tata Steel 'steadfast' in hitting 40 mt capacity in India by '30

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Tata Steel Chairman Natarajan Chandrasekaran on Wednesday said the future holds many opportunities for the company and it is 'steadfast' in its objective of achieving its 2030 target of an overall 40 million tonne (mt) capacity in India.

He was addressing shareholders at the company's annual general meeting.

Responding to shareholder queries on future plans, he said most of the expansion to reach the capacity would be organic. At present, Tata Steel's capacity in India is at about 21.6 mt.

Outlining the expansion plan,

Chandrasekaran said, "We already have a big expansion plan for Kalinganagar (Odisha) which will go from 3 mt to 8 mt. It will be completed in 12 months."

It would be operational in CY25 and FY26 would get the full benefit, he added.

A "huge" expansion was also expected in long products. "We endeavour to attain leadership position in the long products segment. We acquired the Neelachal Ispat Nigam Limited (NINL). Ramping up of production at NINL to its rated capacity has augmented the capacity. Further, NINL, being part of the Kalinganagar eco-system, is well positioned to grow synergistically in

the future," Chandrasekaran said.

There were plans to expand at Angul (Odisha) - the site for the Bhushan plant. Some capacity would also be added through electric arc furnace (EAF). The first such plant would be in Ludhiana with a capacity of 0.75 mt, expected to be operational within two years.

Chandrasekaran however made it clear that all expansion plans would be in India.

N CHANDRASEKARAN
Chairman,
Tata Steel



On the UK operations, where some of the assets are coming to end of life, Chandrasekaran said, "The blast furnace will come to end of life in a year or so. So before that, we have to make a decision. Our preference is to replace steelmaking there with EAF. We have created a proposal and given it to the government."

"We are in discussion with all the stakeholders and in consultation with the government and unions, we will make the decision. But the decision time is nearing."

In the UK operations,

Chandrasekaran also informed shareholders that with regard to the £6 billion British Steel Pension Scheme, full insurance cover for the pension liabilities had been secured.

"This means that the cashflows for future pension pay-outs to pensioners are guaranteed by the insurer. This has been done at no cash cost to the company and eliminated any future risks from asset-liability mismatches," he said.

After a stellar FY22, Tata Steel recorded a sharp drop in profits in FY23. The consolidated profit after tax for FY23 stood at ₹8,075 crore compared to ₹41,749 crore in the previous year, a decline of ₹33,674 crore.