

JSW Steel to decide on 10-mtpa expansion in Apr

Suresh P Iyengar
Mumbai

JSW Steel plans to take a call on increasing its capacity by 10 mtpa to 42 mtpa in April as the company expects demand to start looking up in the coming months, given the government's thrust on infrastructure projects.

The company will firm up plans for the next round of capacity expansion by 10 mtpa in April as most of the current planned capital expenditure are nearing completion soon, Seshagiri Rao, Joint MD, told *businessline*. The next round of expansion will mostly be brownfield at the recently acquired assets except for the greenfield integrated steel plant at Odisha, he added.

The greenfield project in Odisha will be developed in a modular manner with diligent allocation of capital over a period of time, said Rao. In general, a greenfield steel project of 1 million tonne per annum calls for an investment of about ₹6,000 crore while brownfield expansion of same capacity requires ₹5,000 crore, said sources.

DEBT LEVELS

Asked about the sharp rise in debt level, Rao said it is not at all a concern and that it is well under control with higher revenue expected from the current enhanced capacity. Moreover, of the overall debt (of ₹69,000 crore), about ₹3,500 crore is due to currency revaluation which will get normalised in coming quarters, he added.