# ArcelorMittal Nippon Steel India sets up first scrap processing facility

**Our Bureau**
Mumbai

ArcelorMittal Nippon Steel India has commissioned its first scrap processing facility of 120 kilo tonnes per annum at its Khopoli manufacturing facility in Maharashtra.

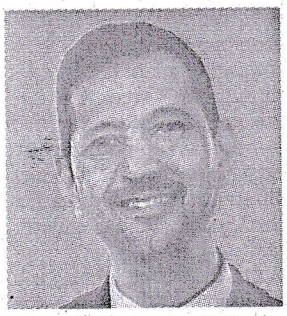
The Khopoli unit is the first of four scrap processing units being developed by AM/NS India nationally as part of a ₹350 crore investment programme to meet the growing demand for high-quality scrap for its steel production and to strengthen domestic scrap supply chains.

The domestic scrap supply chain is highly fragmented with materials passing through multiple intermediaries before reaching the consumption points. The complex process inflates costs, diminishes material quality and adds little value across the chain.

By processing scrap at its own facilities, AM/NS India will enhance material quality and yield while reducing conversion and logistics costs, all while formalising the scrap industry.

**SUCCESSFUL PILOT**

The commissioning of the Khopoli unit follows a successful pilot to process scrap at scale, which is important to meet the rising demand for recycled steel across AM/NS India's wide customer base, including automotive manufacturers and ship fleet operators.



Akshaya Gujral, Executive Director, Downstream Operations, AM/NS India

The government initiatives such as the Vehicle Scrappage Policy (2021), Extended Producer Responsibility norms, set to take effect in April 2025, and the Green Steel Taxonomy are also expected to boost domestic scrap availability.

Akshaya Gujral, Executive Director of Downstream Operations at AM/NS India, said the steel sector has an important role in developing the infrastructure and ecosystem for achieving India's target of increasing the share of scrap metal in steel production to 50 per cent by 2047.

AM/NS aims to increase scrap mix in steelmaking to over 10 per cent by 2030 from current 3-5 per cent. The company is strategically integrating high-quality scrap into production, with 65 per cent of steelmaking operating on the gas-based Direct Reduced Iron (DRI) – Electric Arc Furnace route, a process particularly suited for utilising processed scrap.