

JSW Steel invests ₹500 crore in speciality steel product

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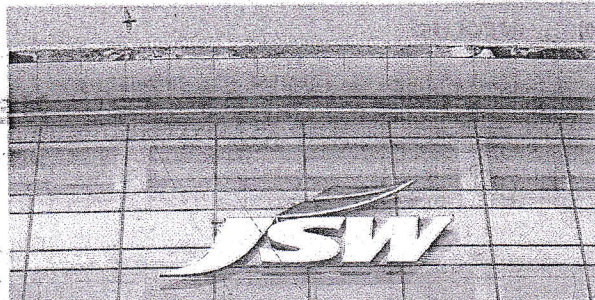
JSW Steel has made an investment of ₹500 crore to set up nine lakh tonne production of highly corrosion resistant speciality steel -- JSW Magsure -- produced from its factory at Vasind and Vijayanagar in Maharashtra and Karnataka, respectively.

The company said it targets to capture 50 per cent market share of steel supplied roof-mounted solar projects in the first year of operations, while primarily targeting the solar projects being executed in India.

The company already has 70 per cent market share of steel supplied to ground-mounted solar projects.

The demand for JSW Magsure is huge given its usage across sectors that are prone to corrosion including green energy, infrastructure, white goods and grain silos, said Ashwani K Sharma, Executive VP, JSW Steel coated business.

The company has already made initial supplies to Adani Green Energy and initiated talks with Reliance Industries, Green Tech Solar, Amplify Solar, NTPC and Sterling Wilson, among other leading fabricators. The company has supplied 5,000 tonnes to Adani Green



LARGER PIE. The company targets to capture 50 per cent of market share in roof-mounted solar projects in the first year of operations

Energy and negotiating to supply similar quantity in next three months, sources said.

PRODUCT USES

It's also discussing with government agencies the use of the product for establishing warehouses and silos. JSW Steel looking at ₹4,000-5,000 a tonne higher realisation at ₹79,000 over the imported price of \$800 a tonne and it works out to landed cost of ₹74,000 a tonne including an import duty of 8 per cent.

The speciality steel is now imported largely from Korea and small quantities from Japan and China. Moreover, shipments to India takes about three months without any customisation while JSW Steel can deliver it in three weeks with customisation, he said. JSW Steel plans

to source the raw material zinc-magnesium-aluminium from domestic market even while keeping the option of import in case of price variation.

The quantum of mixing the alloy for coating is a patent technology and JSW Steel has spent three years in R&D to get the patented technology.

JSW Magsure has a huge entry barriers for other players. Posco has its own technology, but does not have production facility in India while ArcelorMittal, which has both the technology and presence in India, may consider it in the long-run. JSW Steel has received validation for export for Magsure to Europe and has already made a shipment of 100 tonnes. It is waiting for approval to sell in West Asia.