

## Bhushan Steel revs up steel production five times

13 Apr 2009, 18:47 hrs IST, Pramugdha Mamgain, ET Bureau

Print | EMail | Discuss | Share | Save | Comment | Text:

**NEW DELHI:** Delhi-based Bhushan Steel has increased the production capacity of its integrated steel plant based in Orissa five times to 2.5 million tonne. The plant, which mainly produces hot rolled coils (HRC), will operate at the enhanced capacity from September onwards this year.

HR products are used for making cold rolled coils (CRC), which in turn are used mainly by automotive and consumer durable sectors. Bhushan Steel, which is in the race to acquire Bhubaneswar-based Orissa Sponge Iron and Steel, is essentially a mid-sized firm engaged in CRC or secondary steel making.

"The Orissa plant was producing mere 0.5 million tonne of HR steel so far, which wasn't enough to meet the entire captive requirements. The facility has been expanded and will be fully operational in the next 5-6 months," said Bhushan Steel director (finance) Nittin Johri. The company's annual cold rolled steel making capacity is close to 0.9 million tonne currently.

So far, investments worth Rs 7,000 crore have gone into boosting capacity by 2 million tonne at the plant. A 450 MW power plant has also been set up at the same location to meet captive power requirements. "Close to 75% of the total HR produce at this unit will be used for captive purposes and the balance 25% will be sold to domestic secondary steel makers," Mr Johri said.

Bhushan Steel has plans to expand the capacity of Orissa plant further to 5 million tonne by 2012, which would entail additional investments of close to Rs 8,000 crore. This expansion will be funded through a mix of debt and internal accruals. The firm is eyeing 20% growth in revenues to reach Rs 6,500 crore this fiscal as against estimated Rs 5,400 crore in 2008-09.

Read business stories in [हिंदी](#) | [ગુજરાતી](#)

### Other stories in this section

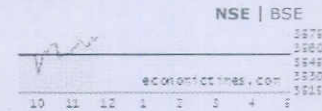
- JSW to sell plants in US at a discount
- JSW aims to sell over 50 pc production through retail in 2 yrs
- JSW Steel April crude steel production surges
- Essar Steel plans overseas expansion
- Ratan Tata attacks UK govt on its record on manufacturing
- Steel production up 4% in April

[More >>](#)

### Other News

Loading

### Market



The New BlackBerry® Bold™  
Get The New 3G BlackBerry® Bold™ 9000.  
Available In Stores  
[IN.BlackBerry.com/Bold](#)

Survive economic downturn

### Corporate Announcement

V Vaidyanathan is IPru Life's new MD & CEO  
ICICI Prudential Life has appointed V Vaidyanathan as the managing director and chief executive officer of the company with effect from May 01.

### ET Debates

- Corporate results suggest bottoming out?

Latest News | Most Read | Most Emailed | Most Commented

Loading

Shop

Write here...