

Essar Steel's Cold Rolling Complex flagged off

Essar Steel's 1.2 million tonne cold rolling Complex went on stream recently at Hazira, Gujarat which was inaugurated by Narendra Modi, Honourable Chief Minister of Gujarat. This 1.2 million tonne complex will make Essar a fully integrated producer of steel and enable the company to offer downstream products with considerable value enhancement. The company has built this facility at an extremely competitive cost of approx. Rs.1000 crore, which is below industry average for projects of similar size.

The inauguration of the complex by Narendra Modi is recognition of the significance of this facility and the support of the government of Gujarat to industrial development. Shashi Ruia, Chairman, Essar Group, said that the presence of the Chief Minister is a great

motivator for the employees of Essar Steel. He added "This complex showcases the latest technology and will offer a wide range of value added, downstream products for both domestic and international markets. This is a significant milestone for us."

Cold Rolling Complex

The manufacturing facility consists

of two Pickling lines (capacity 1.4 MTPA), two Cold Rolling mills – a Reversing mill and a Tandem Cold mill (capacity 1.2 MTPA), two Galvanizing lines (capacity 0.5 MTPA), Batch Annealing Furnace (capacity 0.5 MTPA), skin-pass mill (capacity 1.0 MTPA). In addition, the company has invested in finishing facilities that include slitting lines, cut to length lines and corrugation lines.

Besides, this investment in India's first integrated Cold Rolling Complex and the only Tandem Mill on the Western coast will give Essar significant upstream and downstream advantages and enable it to customize its offerings to suit a wide range of demanding applications

The Complex symbolizes another milestone in Essar Steel's participation in



From Left to Right - Shri Mangubhai Patel - Minister for Forest and Environment, Govt. of Gujarat, Shri Shashi Ruia - Chairman, Essar Group, Shri Anshuman Ruia - Director, Essar Group, Shri Narendra Modi, Honourable Chief Minister of Gujarat, Shri Prashant Ruia, Managing Director, Essar Steel Ltd., Shri Ravi Ruia, Vice Chairman, Essar Group, Shri Narottambhai Patel, Minister for Water Supply and, Water Resources, Govt. of Gujarat

Gujarat's industrial progress. Essar Steel is today the largest totally integrated steel plant on the Western Coast of India and will become India's largest producer of flat producer when it completes its expansion to 4.6 million tonnes by next year. The locational advantages of the port based facility and the availability of high quality hot rolled products for the production of cold rolled and galvanized steel, are other factors that will give further impetus to the company's increased presence in international markets.

Benefits of cold rolling and its applications

The cold rolling process improves paint characteristics, coating quality and strength of steel. It also has excellent formability characteristics, hardness and enables close dimensional tolerances and improved flatness. These properties are essential requirements in industries with critical requirements, high quality and consistency.

Essar Steel is now in a position to offer specialized products tailor-made for critical applications in the automotive, white goods, agricultural and construction industries, which were hitherto being imported. These products match the best international standards and the company's clients include leaders in Indian and international industries. The company expects to gain a market share of 20% in the Cold Rolling segment in the country and it is expected that

products from the CR complex will constitute over 40% of the company's revenues going forward.

Typical applications for Essar Steel's cold rolled products;

- Automotive and auto Components
- Bicycles and Components
- White goods like, Refrigerators, Air conditioners, Ice Boxes, Televisions
- Office and Household Furniture and Equipment
- Barrels, Drums, Buckets, tanks,



A view of Essar's Cold Rolling Facility

Tubs, Bins and Containers, Agricultural Machinery and Equipment

- Doors Frames, Rolling Shutters, Formed sections, Roofing and Flooring
- Industrial Sheds
- Railway Coaches
- Electrical Stampings
- Packaging

Expansion plans

Essar Steel's current capacity of 3 million tones per annum will go up to 4.6 million tonnes by the end of this fiscal year. This will mean that the company will add the capacity of one more steel plant and that too at a substantially lower cost than a green-field project. This is a major strength for this company. To meet the requirements for the Hazira expansion,

the company is also executing suitable capacity enhancement programs at Bailadilla, Vizag and the HBI plant at Hazira. Essar has access to the world's richest iron ore at Bailadilla and have a world class facility at Vizag for manufacturing pellets. The beneficiation plant and the slurry pipeline have been completed and will be commissioned shortly. These are extremely difficult projects involving laying of pipelines through the most difficult terrain and conditions, passing through three states. This slurry pipe line is the second longest in the world.

Going ahead with confidence

Essar Steel had an exceptionally good year in the last year. The year's revenues and profitability are at an all time high as one can see in the annual report. Revenues for the year at Rs. 6121 crore were up by 65% over last year, EBITDA by a whopping 157% and profit after tax was close to Rs 600 crore. Building on the back of a good year, the company's first quarter performance this year has been commendable. Sales at Rs 1653 crore showed a growth of 24.5 % and net profit at Rs 208 crore grew by 300% over the first quarter last year. It is significant to note that while sales volumes grew by 9 %, sales in rupee terms grew by 24.5%. This is a clear indication of the success of our focus on a richer product mix and value addition, a company source said.

