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HEG embarks on ambitious expansion

Special Correspondent

NEW DELHI: HEG, operator of the single largest site plant of graphite electrodes in the world at Mandideep, near Bhopal, has embarked on an ambitious expansion plan with an investment of Rs. 225 crore aimed at further leveraging its core competence and economies of scale.

Under the new scheme of things, the capacity will be expanded from 66,000 tonnes to 80,000 tonnes annually with an investment of Rs. 225 crore which would be largely funded through internal accruals as announced earlier. This expansion is expected to be completed in the next 18 months.

Graphite electrodes are used as a consumable for

To leverage its core competence and economies of scale

electric arc furnace (EAF) which accounts for 31 per cent of world's steel. HEG exports about 80 per cent of its production to more than 30 countries and its clients include top 50 steel producers of the world, including Posco, Nucor, ArcelorMittal and Thyssen Krupp.

Ravi Jhunjhunwala, Chairman and Managing Director, HEG, said the expansion would not only strengthen the company's export revenues but would also further aid in economies of scale and improve cost efficiencies, making the facility the single

largest plant globally. "Our vision is to further increase the graphite electrode capacity to one lakh tonnes in future and to become the preferred global supplier for leading steel manufacturers," he added.

HEG is the largest exporter of graphite electrodes from India and this expansion will further increase its strength in the export market by increasing the revenue by Rs. 300-350 crore at current prices. In order to achieve this growth, HEG is exploring other organic and inorganic opportunities. At the same time, the state-of-the-art R&D centre for applied research in carbon and graphite will be working on developing new products along with improving the Company's overall competitiveness.