

Gallant Metal Lines up Rs. 191 crore for Kutch steel Plant

Our regional bureau
Samakhayali ,8 February 15, 2006

The 122 acre integrated steel plant of Kolkata based Galant metal Steel Ltd. at Samakhayali village of Kutch with a production capacity of 500 tonne per day ,has started its production . The company is investing Rs. 191 crores in the project in two phases.

The plant is currently producing about 200 tonne TMT bar per day. Expected to get fully operational in about a week,the plant has facilities to manufacture 99,000 MTPA sponge iron ,convert the same to 1,76,420 MTPA mild steel billets to produce 1,68,300 MTPA TMT bars.

“Production of bars initiated from December 29 and is currently producing about 200 tonne bar per day. We will be producing 500 tonne per day , which would be sold in Gujrat ,” CP Agarwal ,chairman and managing director Gallant Metal Limited told Business Standard.

“We will get thermax Technology next month and our products will be thermax TMT bars,” he added.

Also ,the company is setting up a 18 MW captive power plant(CPP) that is likely to be operational by October this year.

The company will also be coming up with a public issue by February end of first week of March to raise Rs. 37.12 crores to part finance its CPP.

The company believes that their production of 18 MW power plant at low cost will be the main advantage in the long run.

“Being a fully integrated plant ,the sponge iron we produce will be used for producing MS billets. Of the 18 MW at our CPP output,7.5 MW will be produced from wate heat recovery gas and 3.5 MW will be produced from ‘char’,a waste product of sponge iron. The remaining 7 MW will be produced using lignite ,which is just 40pr cent of he total power.” He added.

Apart from the benefits of 16 per cent sales tax exemptions ,the company xpects that thecloseness to various transportation routes and Kandla port and ample availability of lignite will work in their favour.