
Gallant to raise Rs. 38 crore from capital marke

Company's New Plant to be operational by March

Mansi Bhatt ,GANDHIDHAM 7 FEBRUARY,

Gallant Metal Ltd. which is setting up a new 500 -tonnes-a day steel plant in Kutch ,plans to raise around Rs. 38 crore from the capital market,its management said here today.

Gallant's new plant will be fully operational by next month. Following this,the company's total steel production capacity would increase to 800 tonnes a day. Gallant has already pumped in Rs. 191 crore into the Kutch project.

The steel plant in Kutch will cater to the markets of Gujarat,Maharashtra and Rajsthan,"The company's managing director CP Agarwal told a group of visiting mediapersons . He said that the company will also be setting up a 18 meqa watt captive power plant for uninterrupted power supply,and eliminated dependence on the state for electricity.Kutch,despite receiving a huge flow of industrial investments over the past three years ,has become deficite in power and water resources.Individual companies are either coming together to set up power units or are setting up captive power units to solve this enormnous problem.

Agarwal said that Gallant would raise Rs.37.12 crore from the capital market soon. Encashing on the construction boom,the company also intends to double its capacity at the Kutch plant later.

Thanks to the tax benefit in Kutch ,where 14 steel plants are being set up,the company says it would tap the local Gujrat market where demand is cloes to 8000 tonnes."When all the 14 steel plants begin operations here,Gujrat is expected to be self sufficient in steel," Nitin Kandoi ,a director of Gallant said. Until now ,Gujarat has been mainly depending on Maharashtra for its steel requirements.

The company also intends to go high on alloy and special steel. With th higher domestic demand ,the exports are nil or negligible. The company intends to reach out to the exports markets ,mainly China and European markets ,after it has raised its capacity.