

# Gallant Ispat Ltd to set up new DRI kiln at Gorakhpur, Uttar Pradesh

The Board of Directors of Gallant Ispat Limited, at their meeting held today, has approved the setting up a new Direct Reduced Iron (DRI) Kiln having a capacity of 1,65,000 MTPA at the Company's manufacturing facilities at Gorakhpur, Uttar Pradesh.

The total investment towards the project which is expected to be operational in the first quarter of FY2025 is Rs. 125 Crores. The project will be fully financed out of internal accruals.

The new kiln will enable the Company to completely utilise the output of its pellet plant. It will also reduce wastage and enhance operational efficiencies. The pellet plant with a capacity of 7,92,000 MT commenced commercial operations in July 2023. It was set up to reduce any external dependence for pellets. The new DRI Kiln also offers several other benefits as listed below:- 12MW of additional power through Waste Heat Recovery Boiler (WHRB) which will reduce the overall power cost by 15%

- The increased power will contribute towards reduced carbon emissions
- Additional revenues of approximately Rs.50 Crores per annum on sale of DRI (Sponge) produced in this new kiln
- These sales will further increase State Goods and Services Tax (SGST) refund by Rs. 25 Crores, under the Incentive Scheme of the Government of Uttar Pradesh
- Full capacity utilisation capacity of the Pellet Plant will reduce overheads and the overall cost of pellet manufacturing

Further, in an endeavour to enhance consumption of in-house produced pellets, the Company proposes to install an additional furnace of 30 ton per heat capacity. This furnace is expected to improve production capability by 15%. The installation of this furnace will cost around Rs. 25 Crores and it is expected to be operational in the beginning of calendar 2024.

These proposals are on the back of other operational initiatives taken by Gallant Ispat earlier in the current financial year. In July 2023, Pellet Plant of the Company having capacity of 7,92,000 MTPA with an investment of approx. Rs. 300 Crores, became operational and company has also completed the purchase of two railway rakes with an investment of Rs. 55 Crores. One railway rake has been handed over to the railway and the second is expected by January 2024. These investments towards operational enhancements comprise:

Pellet Plant - Rs. 300 Crores

Railway Rake / Goods Train - Rs. 55 Crores

DRI Kiln - Rs. 125 Crores

Steel Melt Shop - Rs. 25 Crores

All these investments have been funded /are being funded out of internal accruals.

**Gallant Ispat DRI Kiln Gorakhpur Uttar Pradesh**