

Indo Rama Group plans foray into power sector



O P Lohia

■ Business Bureau

HAVING built up an expertise of generating power, synthetics major Indo Rama Synthetics (India) Limited (IRSL), now plans to foray into power generation in the near future. This was revealed by the Chairman-cum-Managing Director of IRSL O P Lohia.

While addressing a press conference after the inauguration of the its second plant at Butibori industrial area at the hands of Chief Minister Vilasrao Deshmukh, Lohia said that IRSL now already had expe-

'No money from TUF so far'

CMD of Indo Rama Synthetics (India) Limited (IRSL), O P Lohia assertively downplayed the importance of subsidies and said that till date IRSL has not asked for money from the Technology Upgradation Fund (TUF) Scheme of the Ministry of Textiles.

Lohia said that unless required infrastructure like power, raw materials, co-ordination of central government and state government machineries are in tandem with each other, pumping in of subsidies will lead nowhere.

Lohia said that he was interested in setting up of a textile park and also promote the use of quality cotton but for that no concrete decision have been taken. "If we promote cotton, we would do it without any commercial interest," he said and added that it would be solely to promote the interest of farmers.

Lohia informed that he would be preparing an action will be giving a presentation to the State Government in the next ten days about the setting up of a textile zone in the region. But he cautioned that simply a textile park would serve no purpose unless some company's come here. "And therefore, we will be taking a closer look at Central Government's policies and State Government's assistance," he said.

rience in power generation. "The 30 MW coal-based captive power plant at the site has started functioning to full capacity now and we have also started supplying surplus power to the state grid," he said. Currently, the company was supplying 22 MW of electricity to Tata Power through the state grid. The power was being sold at the rate of

Rs 6 per unit, he informed.

"Since, power sector was fast emerging as an important are with lots of opportunities, we are also looking at it quite prospectively," he said. The company was planning to come up with a stand-alone thermal power plant. However, the initiative hinges on a number of factors like availability of coal, gov-

'Merger decision after board meeting'

TALKING about the proposed merger of Indo Rama Petrochemicals Limited (IRPL) with Indo Rama Synthetics Limited (IRSL), CMD of IRSL O P Lohia said that a decision in that regard would come soon.

Expressing his eagerness for the merger, he said that the company would have its board meeting in the next eight to ten days, where "all the pluses and minuses" of the merger would be looked into and a notice would be issued soon. "Since the tax system in this country is very complicated, we felt a need to merge the two entities," he said. While purchasing raw materials from IRPL, which was under the same parent company, IRSL noticed that it still had to shell out money as different forms of taxes. Even after the VAT was in place, the situation did not change much. As a result, the company felt that a merger would actually help it bypass some taxes, he said.

Talking about its plans of a naphtha cracker factory, Lohia, who is also the member of the Executive Committee of Federation of Indian Chamber of Commerce and Industry (FICCI), said that FICCI has organised a debate on the new petrochemical policy of the government on May 8 after which a decision would be taken.

ernment policies, cost factor etc. "We are currently in ideation stage and it would definitely take some time for concrete plans," he informed.

He said that the company currently produces 82 MW of power through two captive power plants - a 57 MW oil furnace plant and 30 MW of coal-based plant. "In the

next one year we are planning to augment our power production capacity by another 15 MW," he said. Once this is done, IRSL would be in a position to supply close almost 40 MW of power to the state grid. Out of this, 30 MW would be available as surplus in the next two to three months while the remaining would be supplied till the middle of

next year.

Talking about the capacity at its site in Butibori, he said that before the commissioning of the expanded facility, IRSL was manufacturing 800 tonnes per day (TPD) of yarn which included both polyester oriented yarn (POY) and polyester staple fibre (PSF). "After the expansion, our capacity will eventually be doubled and we would reach 6 lakh tonnes of yarn annually," he said. Earlier, it was producing 3 lakh tonnes per year. The expanded facility has a capacity of 400 TPD of POY and 400 TPD of PSF. "The POY unit was functioning at full capacity while the other was functioning at half its capacity," he said and added that once the PSF unit reaches full capacity, IRSL would be producing 1,600 tonnes of yard per day, thus making it one of the world's largest single-location plant, he affirmed.

The technology for the fully-automated facility has been executed in alliance with Zimmer AG of Germany and the accrued an investment of Rs 900 crore. "With the new facility at our site, our total investment in a single site in Butibori has gone up to Rs 3,000 crore," he disclosed.