
KMML plans 3 projects to cut production cost

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BL reported that the Kerala's state owned Kerala Minerals & Metals Limited the leading manufacturer of rutile grade titanium dioxide in the country has drawn up 3 projects that are designed to substantially bring down the cost of production.

According to officials of the Industries Department, all the 3 projects estimated to cost a total of INR 95 crore have received in principle clearance from the Public Enterprises Board.

Official said that the first project envisages modular extension of the synthetic rutile plant for capacity augmentation from 35,000 tonnes to 50,000 tonnes per year. The company's production cost of synthetic rutile an intermediate product and a raw material for the production of titanium dioxide is INR 1,300 to INR 1,500 a tonne while the market procurement price is INR 3,000 to INR 3,400 a tonne. The INR 30 crore project is expected to result in a saving of about INR 20 crore for the company.

Another project in the pipeline is a new mineral separation plant for separation of valuable minerals such as zircon, rutile and illmenite from tailings from the existing mineral separation plant. This will enhance the annual production capacity of zircon from 1,800 tonnes to 6,480 tonnes, rutile from 3,000 tonnes to 4,000 tonnes and illmenite from 50,000 tonnes to 63,000 tonnes.

The plant will incorporate new technology based methods featuring specific machinery instead of the present indigenous manual methods. The company is expected to save costs to the extent of INR 25 crore once the project is commissioned.

The report added that KMML is also replacing furnace oil as the boiler fuel with coal or coke. It is pointed out that the cost of producing 1 tonne of steam using furnace oil is INR 2,100 while it is less than INR 1,000 with coal or coke, leading to a reduction in fuel expenses by more than 50%. Besides, the price of furnace oil has almost doubled over the last few months.

The officials said that the total cost of INR 95 crore would be funded from internal resources. The projects expected to be completed between 1 year and 18 months will help the company save about INR 65 crore.

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