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## **Gremach Infrastructure planning to set up steel plant - Report**

*Friday, 22 May, 2009*

BS reported that Gremach Infrastructure Equipment and Projects, which has been on a fund raising spree in recent months is foraying into steel production. Sourced added that the company is scouting for locations for the proposed steel plant either in Orissa or Madhya Pradesh.

The BSE listed company is looking at raising USD 100 million to set up a steel plant. Sources said GIEPL is understood to be in talks with a few private equity players to raise the CAPEX. In case these talks fail to yield a satisfactory conclusion, the company is open to raising at least INR 200 crore through issue of foreign currency convertible bonds, which will be listed on the Singapore Stock Exchange.

The report added that GIEPL is currently in advance stages of negotiations for acquiring coal mining licenses and oil blocks in Africa, CIS and Latin American countries. After acquiring 11 coking coal exploratory licenses in Moatize region of Mozambique in 2007, GIEPL currently owns 75% stake in the Mozambique venture through its subsidiary Osho Gremach.

Market source added that in December 2008, GIEPL raised USD 50 million by issuing FCCBs on the Singapore Stock Exchange, to buy mining equipment and start production at the Mozambique facility. The open cast mines in Mozambique hold sizeable coking coal deposits and are likely to serve as a coal supply link for the proposed steel plant.

(Sourced from Business Standard)

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