

Taiwanese carbon black co to invest \$500 m to set up 2 greenfield units

LARGE PLANS

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NEW DELHI

CONTINENTAL Carbon India (CCIL), a subsidiary of Taiwanese major China Synthetic Rubber Corporation (CSRC), will invest \$500 million (Rs 2,000 crore) to set up two greenfield facilities to manufacture carbon black in India. This would make it the largest manufacturer in Asia Pacific of the petrochemical-based raw material used in the manufacture of automotive tyres.

CCIL, which currently operates from Ghaziabad in Uttar Pradesh with an annual capacity of 65,000 metric tonnes (MT) of carbon black, is evaluating opportunities to increase its total production to 8,00,000 mt by 2012, which will be a third more than its sister company in China. Its annual carbon black manufacturing in China is expected to reach 5.45 lakh MT by 2012 from 1.95 lakh mt at present.

CCIL has decided to establish the twin facilities on the eastern and western coast, with an eye on the export market. Each would have an annual capacity of 3-3.5 lakh MT. CCIL CFO Rakesh Dhamani told ET: "We are looking at setting up manufacturing facilities in Gujarat and Tamil Nadu or Andhra Pradesh. We plan to make India our manufacturing hub to source carbon black for Europe and the Far-East markets, as it has a major export potential. Meanwhile, we will also enhance Ghaziabad capacity to 1 lakh MT to reach the targeted 8 lakh MT manufacturing capacity by 2012."

The company plans to raise funds through an equal ratio of debt and equity. World Bank's arm International Finance Corporation (IFC) has invested in CCIL. "We are looking at options like bringing in IFC as our equity partner, but nothing has been decided yet. After we finalise the locations for the greenfield plant, the investment partner will be decided," Mr Dhamani said.

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