

RIL form JV with Russian firm for petrochemicals

BS REPORTER

Mumbai, 21 February

Reliance Industries (RIL) will form a joint venture with Russian company SIBUR, Eastern Europe's biggest petrochemicals producer, to produce 100,000 tonne of butyl rubber per year in Jamnagar, at an investment of ₹2,250 cr (\$450 mn).

The joint venture, named Reliance Sibur Elastomers Private Limited, will be the first manufacturer of butyl rubber in India and the fourth largest supplier in the world. It will cater to the annual demand for synthetic rubber from the Indian automotive industry of over 75,000 tonne, which is currently satisfied by imports.

"Investment in the JV is in line with RIL's vision of emerging as a significant player in the global synthetic rubber market," the company said.

RIL will hold 74.9 per cent in the company, while SIBUR will hold the remaining 25.1 per cent. The facility is expected to be commissioned in mid-2014.

Reliance and SIBUR also signed a technology licence agreement facilitating the use of SIBUR's proprietary butyl rubber production technology by the JV at the new production facility. SIBUR will develop basic engineering design for the facility and also train the JV's personnel at SIBUR's production site in Togliatti, Russia.