



## **Indo Rama forms JV with Thai co, to invest Rs 3,450 cr on plant**

*New Delhi, Jan 27 (PTI)*

Textiles firm Indo Rama Synthetics (India) today said it will form a joint venture with Thailand-based Indorama Ventures to set up a manufacturing plant in India, entailing an investment of USD 700 million (over Rs 3,450 crore). The new plant would produce ingredients used for making packaging materials as well as polyester alternative to natural fibres and would be operational by 2015.

"The plant will entail an investment of USD 700 million. The investment would be funded through equity and debt," Indo Rama Synthetics (India) Ltd CMD O P Lohia told PTI.

He said the investment will be made by the 50:50 JV between Indo Rama Synthetics and Indorama Ventures. "USD 250 million would come through equity while the rest would be raised through debt," he said adding both the partners will invest equally in equity part.

Asked where the plant will be set up, Lohia said the company would finalise the location in the next 2-3 months.

"We definitely feel that in 2015 the plant would be operational. It's overall capacity would be around 2 million tonnes per annum across all segments," Lohia said.

On January, 25, 2012, Indo Rama Synthetics (India) signed a memorandum of understanding (MoU) with Indorama Ventures to build PTA-PET-PSF Plant in India.

The MoU signed in the presence of Thailand's Prime Minister Yingluck Shinawatra during her official visit, is the single largest Thai investment in India.

The integrated facility would have PTA (Purified Terephthalic Acid), PET (Polyethylene Terephthalate) and PSF (Polyester Staple Fiber) plants and would serve both Indian as well as export markets, the company said.

While PET is commonly used in food and drinks packaging, PSF is a polyester alternative to natural fibers. PTA is the major raw material used in the production of both PET and PSF.

"This plant will help us serve our customer locally and expand our markets globally," Lohia said.

Commenting on the agreement Indorama Ventures Group CEO and founder Alope Lohia said: "India today is a fast-growing market that is demanding attention from the world's fast moving consumer goods companies, who are our customers.

"It is imperative that we are there to serve these customers and the emerging local producers who will be consuming more and more PET and PSF over the next decade."

Shares of Indo Rama Synthetics today closed at Rs 34.30 on the BSE, up 3.78 per cent from its previous close.