

RELIANCE–SIBUR JV PLANS TO SET UP

SOUTH ASIA’S FIRST HALOGENATED BUTYL RUBBER UNIT AT JAMNAGAR

Mumbai, 18th January 2017: Reliance Industries Limited (RIL) and Russian petrochemical giant SIBUR signed an MoU at the recently-concluded Vibrant Gujarat Summit at Gandhinagar to set up South Asia’s first butyl rubber halogenation unit at RIL’s integrated petrochemical site in Jamnagar, Gujarat.

The unit will produce 60,000 MT of halogenated butyl rubber every year under Reliance Sibur Elastomers Private Limited (RSEPL) – a joint venture (JV) of which RIL owns 74.9%, and SIBUR 25.1%.

Apart from the planned halogenation unit, the JV owns a 1,20,000 MT per annum butyl rubber plant, currently under construction at the same venue which will provide the necessary butyl rubber feed to the halogenation unit.

Commenting on the halogenated butyl rubber unit, Mr Nikhil Meswani, Executive Director, RIL, said, “RSEPL’s halogenated butyl rubber plant will be well-poised to capitalise on the significant surge in regional demand in tyre and pharmaceutical industries. India is expected to see a quantum jump in tyre production, with Indian and International tyre majors gearing up to make capital investments of Rs. 15,000 crore. The halogenated butyl rubber demand is expected to grow at a rapid pace of 8-10% CAGR over the next few years, driven by increasing customer preference for tubeless tyres in India and neighbouring countries, and significant investments in the manufacture of pharmaceutical closures and tank inner liners.”

“India offers attractive investment opportunities given the growing local demand for synthetic rubbers and Gujarat’s favourable investment environment coupled with the well-developed infrastructure and raw material availability at a world-class Industrial site owned by RIL. SIBUR has a long track record of successful cooperation with RIL and Gujarat’s government, which has provided us with a solid basis for expanding our footprint in India,” said Mr. Dmitry Konov, Chairman of SIBUR’s Management Board.

Halogenated butyl rubber is a key ingredient for manufacturing inner liner of tubeless tyre. With the Indian automobile trend aligning with global trends, penetration of tubeless tyres is expected to accelerate in the Indian market, resulting in an increased demand of halogenated butyl rubber. The ingredient is also used in the manufacture of pharma stoppers, inner liner of storage tanks, etc.

Construction of the butyl rubber plant is in full swing at Jamnagar, its commissioning targeted for 2018.

Production from RSEPL will substitute imports and reduce outflow of valuable foreign exchange from India, providing impetus to the government’s Make in India initiative.

About Reliance SIBUR Elastomers Private Limited (RSEPL):

RSEPL is a joint venture formed between Reliance Industries Limited (RIL) and SIBUR in February 2012 to produce 1,20,000 tonnes of butyl rubber per year at RIL’s integrated petrochemical site in Jamnagar, India. RIL owns 74.9% stakes, and SIBUR 25.1% in the joint venture.

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Media Release

About Reliance Industries Limited (RIL):

Reliance Industries Limited (RIL) is India's largest private sector company, with a consolidated turnover of INR 296,091 crore (\$44.7 billion), cash profit of INR 40,737 crore (\$6.1 billion), and net profit of INR 27,630 crore (\$4.2 billion) for the year ended March 31, 2016.

RIL is the first private sector company from India to feature in Fortune's Global 500 list of 'World's Largest Corporations' – currently ranking 215th in terms of revenues, and 126th in terms of profits. RIL ranks 238th in the Financial Times' FT Global 500 list (2015) of world's largest companies. RIL ranks 121st on the Forbes Global 2000 list (2016), continuing to be the top-ranked Indian company. RIL's activities span hydrocarbon exploration and production, petroleum refining and marketing, petrochemicals, retail and 4G digital services.

About SIBUR:

SIBUR is a uniquely positioned vertically integrated gas processing and petrochemicals company. It owns and operates Russia's largest gas processing business in terms of associated petroleum gas processing volumes, and is a leader in the Russian petrochemicals industry.

SIBUR operates 26 production sites located all over Russia, serving over 1,400 large customers engaged in the energy, chemical, fast moving consumer goods (FMCG), automotive, construction and other industries in approximately 75 countries worldwide, and employs over 27,000 personnel.

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