Early Warning System

IFC-37933

SRF India BOPET

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Quick Facts

Countries	India
Specific Location	Pithampur industrial area, Indore, Madhya Pradesh
Financial Institutions	International Finance Corporation (IFC)
Status	Completed
Bank Risk Rating	B
Voting Date	2016-03-10
Borrower	SRF Limited
Sectors	Infrastructure
Investment Type(s)	Loan
Investment Amount (USD)	$ 40.00 million
Project Cost (USD)	$ 58.00 million

Project Description

Through this loan by IFC, SRF proposes to set up another greenfield facility for the production of BOPET in Indore, India with a capacity of 30,000 tpa and a metallization capacity of 8000 tpa (the "Project"). The proposed Project will be located in Indore domestic tariff area which is in close vicinity to the existing Indore SEZ unit (located about 2.5 km away). SRF's existing Indore unit manufactures polyethylene terephthalate (PET) resin and BOPET films. PET resin which is the main raw material for BOPET films manufacturing, will be partially supplied from the existing facility and balance will be sourced locally or imported as the case may be.

BOPET is a polyester film made from PET resin and is used for its high tensile strength, chemical and dimensional stability. The manufacturing process consists of melting the PET resin and extruding so as to form of a multi-layer film which is then stretched. To improve the permeation properties of the film, the BOPET film can further be metalized with a very thin film of aluminum, under vacuum. The waste film generated in the process is melted and reused in the process.

The proposed project is located in the Pithampur industrial area, Indore in the state of Madhya Pradesh. The greenfield BOPET packaging film facility will be set up at Plot no 675, Industrial Area Pithampur Sector 3, Indore, Madhya Pradesh, India.

The project will occupy ~4 ha of land within the broader industrial areas which is ~ 3,000 ha in extent. Land for the project has been allocated by Madhya Pradesh Audyogik Kendra Vikas Nigam (MPAKVN), a subsidiary of Madhya Pradesh State Industrial Development Corporation (MPSIDC), in a fully developed industrial area. A contractor has been appointed to construct the facility on an Engineering, Procurement and Construction (EPC) basis and the project is expected to become operational by March 2017.

Investment Description

- International Finance Corporation (IFC)

The total project cost is estimated to be about US$58 million. The proposed IFC investment is an A Loan of US$ 40 million for IFCs own account. The balance will be funded by SRF’s internal accruals.

Private Actors Description

Headquartered near Delhi and listed on Indian stock exchanges, SRF Limited ("SRF" or the "company") (http://www.srf.com) is a leading chemical based industrial intermediates group and has three main business lines: i) Technical Textiles - involved in manufacturing of tyre cord fabrics and industrial fabrics; ii) Chemicals and Polymer - involved in manufacturing of fluoro-chemicals ,Engineering Plastics and specialty chemicals; and iii) Packaging Films - involved in manufacturing of bi-axially-oriented polyethylene terephthalate ("BOPET") and bi-axially oriented polypropylene ("BOPP") films. SRF employs more than 6,500 employees globally working in 9 manufacturing plants in India, 2 in Thailand and 2 in South Africa with a customer base spread over 75 countries.SRF has an existing BOPET manufacturing capacity of 60,000 tonnes per annum (tpa) in India (plant at Kashipur with 6000 tpa capacity and plant at Indore with 54,000 tpa capacity), 28,500 tpa in Thailand (IFC financed project) and 28,500 tpa in South Africa (for BOPP films).

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	SRF Ltd	Client	-

Contact Information

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ACCOUNTABILITY MECHANISM OF IFC

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org. You can learn more about the CAO and how to file a complaint at http://www.cao-ombudsman.org/