

IVRCL, Kemira in JV for Vizag plant

fe Bureau

Hyderabad, Oct 11: Helsinki-based Kemira Oyj, a chemical industry group and IVRCL Infrastructures & Projects (IVRCL) have formed a joint venture to set up an inorganic coagulant manufacturing facility in Visakhapatnam. The proposed facility, which will be set up over the next six to eight months, would entail an investment of about \$10 million for the first phase and is expected to generate revenues of over Rs 100 crore over the next couple of years.

Inorganic coagulants are essential chemicals used in industrial and municipal water treatment. The manufacturing facility is expected to be operational during the second half of 2011. Kemira owns 51% in the JV. The strategic alliance includes a supply agreement under which Kemira will provide water treat-

ment chemicals to IVRCL's water treatment plants in India. The joint venture and the supply agreement are not expected to have a significant short-term financial impact on Kemira, E Sudhir Reddy, vice-chairman & managing director, IVRCL, said. The business potential for water treatment products in the country is currently about \$500 million, he added. The Euro 2.5 billion-Kemira currently has 28 such facilities in Europe alone, while it has four each in North America and South America. The Vizag facility, which will come up on 24 acre, will have an initial production capacity of 50kt per annum.

"The strategic alliance with Kemira includes a supply agreement under which, Kemira will provide water treatment chemicals to IVRCL's water treatment plants in India," he said.