

Guj Fluorochemicals to set up caustic soda, chloromethane unit at Dahej

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GUJARAT Fluorochemicals Ltd (GFL), a Rs 180-crore chemicals company, is setting up an integrated unit at Dahej to produce refrigerant gas chloromethane and caustic soda. The company has made an outlay of Rs 300-350 crore for the project, a company executive said.

A company official told **ET** that the company has already applied for land acquisition, which should be through within a couple of months. Apart from the refrigerant gas like chloromethane which GFL manufactures, the company is also planning to produce its own caustic soda, as part of its backward integration strategy, which will be used as a raw



material for producing chloromethane. Sources said that the company could also be looking at a possible forward integration.

Mr Deepak Asher, vice-president, corporate finance, GFL confirmed the developments. But he refused to give details.

Sources, however, added that the company will partly raise the sum for setting up the new unit through debt and partly through its surpluses. According to an estimate, the company has a cash surplus of around Rs 300 crore.

The Dahej plant is expected to be primarily for exports while the domestic consumption will be in the range of just about 25%. "The project should be up and running in two years time," sources added.

Meanwhile, the company has bagged its first order from the Clean Development Mechanism (CDM) established under the Kyoto Protocol. The company expects to generate more than 3 million tonnes of certified emission reductions annually which is expected to go up in the future.