

Ceat scouts for greenfield radial plant site in 4 states

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Ceat Ltd is looking at states like Maharashtra, Gujarat, Tamil Nadu and Andhra Pradesh for its new greenfield radial plant, indicated KJ Rao, chief financial officer, of the company.

Rao also informed that following the restructuring of the business, Ceat Ltd and CHI Investments will list on the bourses by February 2008 as two separate companies. The swap ratio is 75:25. "All the formalities will be completed by January end," he said.

The new radial facility will be spread on 100 acres of land and will have an initial capacity of 100 tonne per day. "It will be made in a modular fashion so that it can be further expanded. It will be a big and future facility in times to come," Arnab Banerjee, vice president - sales & marketing, Ceat Limited said. The facility will house production of passenger, truck and bus radial tyres. Currently, Ceat has a small passenger car radial facility at Nasik, which, once the new plant is operational, will be integrated with it. "All the radial production will be

housed at one place," he added.

Asked if the new plant will be a joint venture with the radial technology partner the company was scouting for, Banerjee said, "In passenger radial, we have the expertise. It is in truck and bus radial is where we need inputs and would look for technology collaboration or a consultant approach. We are looking at the new facility as a Ceat-owned plant."

Ceat is looking at 20%-25% growth and plans to consolidate its presence abroad as well as in the domestic market. "We will be working more with preferred business partners and building relationship with them. Overseas, we have a presence in 110 countries and plan to further strengthen our presence," he said.

Ceat is in the process of re-locating its Bhandup plant to a new location in the radius of 40-50 km from Mumbai. "We are in discussion with MIDC and the decision will be taken in 2-3 months," said Rao.

This plant will be spread on 50-60 acre of land and the re-location will be done in a phased manner and completed by 2009-10.