

## **Epsilon Carbon to invest Rs. 550 Cr for Vijayanagar capacity expansion**

*The company expects the Carbon Black business to account for 40 per cent revenues of Epsilon Carbon and is targeting Rs. 5,000 crore consolidated revenues by FY25*

**September 27, 2022:** Epsilon Carbon, India's leading Carbon Black producer, plans to expand the capacity of Vijayanagar unit by adding another 100,000 metric ton with a new capex investment of Rs. 550 crore.

This investment will increase the company's Carbon Black capacity by 85 per cent to 215,000 metric tons. The Capex investment also includes setting-up of a 25 MW captive power plant to service its entire energy needs within its own Integrated Carbon Complex.

With this new Capex plan, Epsilon Carbon's overall investment in the carbon business division will surpass Rs. 1,000 crore. The Capex investment will be funded through internal accruals and debt.

Epsilon Carbon has an annual installed capacity of 115,000 metric tons at its manufacturing unit at Vijayanagar, Karnataka. It has established itself as a fast-growing, fully backward-integrated reliable supplier of high-quality carbon black material in the country; with a strong leadership position in tyre and non-Tyre market categories. Currently, it has a customer base of more than 2,000 globally renowned enterprises.

Commenting on the new investments in the carbon black business, Vikram Handa, Managing Director, Epsilon Carbon said, "Staying true to Epsilon's philosophy of adopting sustainable and environment friendly business practices, the new capacity expansion is being undertaken with a strong focus on energy efficiency, lowering emissions, and waste heat utilization to ensure reduction of GHG. The new capacity will help Epsilon Carbon service the growing needs of our customers with whom we have been working closely since the past 18 months to qualify and service with high quality products. We expect the new capacity to be commissioned by the end of FY24. As part of our long term business plan, we expect the Carbon Black business to account for 40 per cent revenues of Epsilon Carbon and is targeting Rs. 5,000 crore consolidated revenues by FY25."

Epsilon is committed to enabling circularity in its operations. The captive power plant will use tail gases from the carbon black manufacturing process to reduce emissions. The power generated from this plant will fulfil the power requirements of all of its operations in its Vijayanagar facility.

With a strong focus on ESG, during the next three years, Epsilon Carbon is targeting to meet more than 15% of its energy requirements through renewable sources. It is also targeting 10% reduction in overall energy consumption per metric ton of raw material processed and 20% reduction in GHG Emission per metric ton of raw material processed by FY25. The company is investing Rs. 150 crore in meeting these ESG targets.

Epsilon Carbon has partnered with a US based LCA firm, Sphera, to develop and monitor the life cycle assessment (LCA) of manufacturing Carbon Black.