

Emami's edible oil plans

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Emami plans big for edible oils

To Take Up Plantation Of Oilseeds, Jatropha In Ethiopia

Our Bureau
KOLKATA

THE Rs 2000-crore Emami group has chalked out ambitious initiatives for its edible oils venture. The company proposes to take up plantation of bio fuel crops (jatropha) and other edible & non-edible oilseeds in Ethiopia. Closer home, it is also looking to set up greenfield edible and non-edible oil refineries in Gujarat and South India.

While the Ethiopian venture in the state of Oromia will entail an investment of roughly Rs 400 crore, the Gujarat and South Indian projects will involve an investment of Rs 225 crore each. Mr Aditya V Agarwal, director, Emami group of companies, told reporters at a meeting in Kolkata on Monday.

The projects will be taken up by group company Emami Biotech. Mott McDonald is advising the group on the projects.

Elaborating on the group's Ethiopian project, Mr Agarwal said: "We intend to cultivate oilseeds on 1 lakh acres. We have already been allotted some 30,000 acres by Oromia Investment Commission on a 45 year



WHAT'S COOKING

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renewable lease."

Incidentally, Oromia Investment Commission is the nodal agency in the state of Oromia to allot and distribute land for industrial and agricultural purposes.

Apart from jatropha, the company will also grow sunflower, castor, pulses and herbs like menthol in the East African country.

The Ethiopian venture also

envisages setting up an extraction plant and will churn out 1 lakh tonne of crude bio fuel/edible oil per annum.

The biofuel will be exported to India and used to produce bio-diesel at the company's plant at Haldia, the edible oil produced in Ethiopia will be used for captive consumption.

The project will be part funded by a mix of equity and debt. The company is in talks with

Exim Bank, Bank of Baroda and State Bank of India to secure long term loan for the project. Of the total investment of Rs 400 crore spread over a five-to-six years, the company plans to invest some Rs 120 crore in the first phase.

"We have chosen Ethiopia for investment because of the availability of labour, contiguous land, congenial business environment and stable law & order situation. Besides catering to our domestic needs, the Ethiopian project has a huge potential for the global export market," said Mr Manish Goenka, director, Emami group of companies.

Emami Biotech has already entered into an agreement with the Gujarat government for the proposed investment.

"Our third edible oil refinery unit may come up either in Karnataka or in Tamil Nadu. We have not yet zeroed in on the site for the two projects," Mr Agarwal added.

Currently, the company operates an integrated edible oil refinery and bio diesel plant at Haldia, West Bengal, which produces 1,500 tonnes of edible oil per day and 300 tonnes of bio-diesel.