



Emami Agro to invest ₹700 crore to enhance capacity; forays into branded spices space

OUR BUREAU

Kolkata, August 20

The ₹12,000-crore Emami Agrotech, part of the diversified Emami Group, is planning to invest ₹700 crore over the next 12 months. The capex will go towards the ₹500-crore greenfield plant at Kandla in Gujarat, which is expected to be operational in the next 12 months. The remaining ₹200 crore will go towards brownfield expansion at Haldia in West Bengal.

Raising production

While the Gujarat unit will have a production capacity of 2,500 tonnes per day; the Haldia unit's revised capacity will stand at 5,500 tonnes per day. (Around 2,000 tonnes per day will be added by December.)

The company has another

refinery at Krishnapatnam in Andhra Pradesh, with a 2,500-tpd capacity.

According to Aditya Agarwal, Director, Emami Group, around ₹250 crore was recently spent (three months ago) to nearly double capacities at the Krishnapatnam unit.

"Our total refinery capacity is expected to go up to 10,000 tonnes per day post the capex," he told press persons here on Tuesday. This apart, the company has a seed crushing unit at Jaipur, Rajasthan.

Emami Agrotech reported a ₹12,000-crore turnover in FY2019, playing across verticals such as branded edible oils (₹6,000 crore approximately), bio-diesel (₹500 crore), speciality fats (₹250 crore), while the remaining (₹5,250

crore) is from tanker oil and institutional sales. Edible oils are sold under the 'Emami Healthy & Tasty' and 'Emami Best Choice' brands.

"We expect a ₹15,000-crore turnover in FY20, banking primarily on edible oil sales. With all expansion plans materialising, we are targeting a ₹25,000-crore turnover over the next three years or so," Agarwal said.

Branded masala, spices

Emami Agrotech on Tuesday, entered the branded spices, masala and taste-maker market under the 'Emami Helathy & Tasty Mantra' brand with the launch of larger packs and low-unit price offerings of ₹5 across categories such as turmeric powder, chilly powders, meat masala and so on. Launched initially in West

Bengal, the offerings will be launched pan-India from the next fiscal (FY21) onwards.

Branded spices is a ₹16,000-crore market in India, with Everest and MDH being among the major players. It is growing at a rate of 15 per cent, annually.

"We are targeting a ₹15-crore turnover from the branded spices, masala and taste-maker segment by the end of this fiscal here in West Bengal," Agarwal said.

Spices, masala and taste-makers are being made at the Haldia unit, where ₹10 crore was invested.

"Over the next few years, nearly ₹50-60 crore will go as cap-ex in the spices units, that includes setting up a new facility somewhere in Central India and expansion of existing ones," he added.