

## Emami Agrotech uses inland waterways to move edible oils to the North-East

First consignment of 250 tonnes sent via Bangladesh

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Emami Agrotech, part of the ₹12,000-crore Emami Group, has started using inland waterways to ship edible oil to the North-East. This makes Emami Agrotech the first edible oil company in the country to explore this route.

The first lot of 250 tonnes left for the Ashuganj port in Bangladesh from Haldia in West Bengal. From Ashuganj, the shipment will be moved by trucks to Agartala (Tripura) for distribution to other cities like Guwahati, Silchar and so on.

According to Sudhakar Desai, CEO, Emami Agrotech, plans are afoot to send 6,000-7,000 tonnes of edible oil a year through this route.

"We are expecting cost-sav-



First lot of edible oil for despatch to Ashuganj port in Bangladesh being loaded onto the barge at Haldia port

ings by use of waterways. Even a 50-paise saving per litre is good for us, especially when we are in a low-margin business," he told *Business-Line*.

### Accessibility

The company started exploring the waterways after floods in Assam and Bihar derailed supplies via the road and rail for nearly two months earlier this year. "To avoid disruptions, we started exploring the use of waterways," he said.

The waterways route, Desai said, will be accessible

throughout the year and without much disruption. At present, round 70,000 tonnes of oil are sent to the North-East via roadways.

Emami Agrotech intends to ship 6,000-7,000 tonnes a year, while in the long run, it may explore using larger barges with higher capacities.

"Right now, approximately 10 per cent of our sales to the North-East can be through waterways. We are also exploring the usage larger barges. Talks have been initiated with barge owners for leasing," Desai said.

The company is also exploring ways to use inland waterways as an option for shipping edible oil to Bihar and other places.

### Capex Plans

Emami Agrotech accounted for nearly 50 per cent of the group turnover or ₹6,600 crore in FY17 and is targeting a turnover of ₹9,000 crore by the end of this fiscal.

The company is also looking to double its refinery capacity to 11,000 tonnes a day, from the existing 6,000 tonnes, over a two-year period. Accordingly, it is investing around ₹1,400 crore to set up three new units - one each at JNPT, Kandla and Mangaluru. It already has two units - one each in Haldia and Krishnapatnam (Andhra Pradesh).

Emami Agrotech currently has two edible oil brands, Emami Healthy and Tasty and Himani Best Choice and the Rasoi brand of vanaspati.