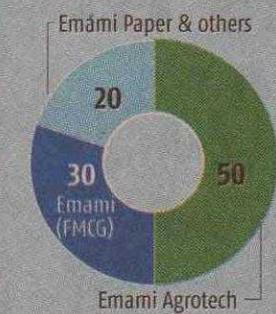


## Riding on edible oil, Emami targets ₹30,000-cr turnover



### CURRENT EMAMI BUSINESS (%)



Source: Company

Emami group promoter Aditya Agarwal (right) at the launch of an Emami product OFFICIAL WEBSITE

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Over the next two to three years, the Emami group plans to double its turnover to ₹25,000-30,000 crore. This might appear a steep target, but the hustle and bustle in the swanky steel-and-glass corporate office makes it seem realistic.

Much of the growth is expected to come from the thin-margin edible oil business, while the flagship fast-moving consumer goods (FMCG) segment, new business and cement will have a near-equal share at around 30 per cent.

The current turnover mix is somewhat like this: Emami Agrotech (which runs the edible oil business) is at 50 per cent, Emami (FMCG) is at 30 per cent and the rest is split between Emami Paper and other companies.

There is frenetic activity in all these companies and the energy among the promoter-directors is palpable.

"We see tremendous opportunities in FMCG, edible oil, health care and cement," says promoter-director Harsh Vardhan Agarwal.

The current group turnover across listed and unlisted entities is ₹10,000-12,000 crore. "In two-three years, we want to double or triple the turnover... That is where we want to be," he adds.

The group's unlisted entities are Emami Agrotech, Emami Cement, AMRI Hospitals and Emami Realty, while the listed are Emami Ltd, Emami Infrastructure,

Emami Paper and Emami Frank Ross.

In health care, under AMRI Hospitals, a ₹500-crore expansion is underway. But the major plans are cut out for the FMCG business under Emami Ltd.

The Zandu brand, which Emami acquired in 2008, is in the process of getting a makeover.

"We are revamping the Zandu brand in terms of positioning. Some products are being test-marketed. These products will be taken national depending on the response," says Harsh Vardhan Agarwal. The products being test-marketed are ayurvedic formulations for diabetes, sleep disorder and other lifestyle-related diseases.

Zandu is one of the 13 acquisitions that Emami has made since its inception in 1974 as Kemco Chemicals.

Are any acquisitions on the cards right now? Agarwal is not ruling out anything but the company is busy consolidating its last acquisition, the Kesh King brand. "We see a lot of potential in Kesh King, the gross margin is higher than what we operate in," says Harsh Vardhan Agarwal.

Currently, an investment of ₹5,000 crore is in the pipeline across different companies, of which ₹1,500 crore is in West Bengal.

The group is gung-ho on West Bengal and Chief Minister (CM) Mamata Banerjee. So much so that at a felicitation event of the CM organised by different cham-

bers of commerce, Emami group promoter Aditya Agarwal quoted a song from Satyajit Ray's *Hirak Rajar Deshe*: "Aha Ki Anondo Akashe, batashe."

It's another matter that the felicitation event was peppered by quotes of industrialists to William Shakespeare to Rabindranath Tagore.

The equation between the Emami promoters and Banerjee has undergone a sea change since her early days in office when AMRI caught fire and many of the promoters were put behind bars.

Aditya Agarwal explains that a good mandate is important for West Bengal and lauds the state's work culture.

Bengal is an important part of the group's cement plans. A five-million tonne (mt) plant is under-construction; in the next five-seven years, Emami Cement will have a capacity of 15 mt.

Emami has already bagged mines in Rajasthan and Andhra Pradesh. Promoter-director Manish Goenka explains the 15 mt capacity will come from expansion of existing facilities, but if any acquisition fits Emami's strategy in the meantime, it would look at it.