

Emami to foray into cement biz

To invest Rs 1,750 cr in 3 years

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Kolkata-based FMCG major Emami is diversifying into the cement business and will invest Rs 1,750 crore to set up production units in the next three years.

"We are diversifying into the cement business, considering the potential and demand of it in the country, particularly in the eastern region. The total investment for the venture will be around Rs 1,750 crore for the next three years," Emami Group Director Mohan Goenka said.

As part of the new plan, group company Emami Cement will set up a fully integrated cement plant in Chhattisgarh with an installed capacity to produce 3.1 million tonnes.

The company will also set up two grinding units, one in Orissa with an annual capacity of 0.6 million tonnes and another in West Bengal with 1.5 million tonne a year capacity, simultaneously.

"We have already acquired 400 acres of land in Chhat-



Emami Cement will set up a fully integrated cement plant in Chhattisgarh

tisgarh for starting an integrated plant there. At the same time, we will also start constructing grinding units in Orissa and West Bengal as well," Goenka said.

The construction of the Chhattisgarh plant, which will have a 40 Mw power plant, will start by the middle of next year. The plant is likely to be operational by 2012, he added.

On the funding of the investments, Goenka said it will be through a mix of internal accruals and debt.

"The three projects will have a 2.5:1 debt-equity ratio

and the group's contribution will be Rs 500 crore," Goenka said. A major part of the investments will be on the Chhattisgarh plant. He said the product will be sold under the Emami brand and cater to the eastern region only.

Goenka said of the total cement production of around 250 million tonnes in the country, the eastern states account for around 25 million tonnes.

"However, with various constructions and government projects happening, the demand for it could rise," he said.