

KS Oils eyes Indonesian market for expansion

Co Looks At Setting Up Plantations In Indonesia For Feeding Its Refining Plans In India

Amit Sharma

SINGAPORE

As part of its strategy to secure its raw material supplies and insulate itself against price fluctuations, KS Oils, the Rs 3,000-crore edible oil firm, is now looking at setting up plantations in Indonesia for feeding its refining plans in India with 80,000 tonne of palm oil, the largest segment in edible oils market in India.

The Morena-based firm has acquired 20,000 hectare of palm plantation in Indonesia at an estimated investment of about Rs 230-crore to be made over three years. KS Natural Resources, fully-owned subsidiary in

Singapore, will start shipping crude palm oil to India from its Indonesian plantations beginning 2013. Listed on the NSE and BSE, KS Oils and has formed a 90:10 joint-venture in Indonesia with a local partner, Buana Mega Sentosa Plantation. Currently, 4 lakh oil seeds — varying from two-nine months in age — have been planted in the JV's nurseries that spread across 44 hectare. "We will get about 45% of our palm oil requirement for our Indian operations from the Indonesian

RECIPE FOR SUCCESS

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first Indian agri-based firm to be granted international status from EDB. The firm has also entered into a strategic partnership with the National University of Singapore (NUS) to facilitate R&D projects in its plantations.

plantation," Sanjay Agarwal, MD, KS Oils told ET.

To facilitate its growth in the South East Asian region and strengthen its Indian operations, KS Oils on Tuesday signed an MoU with the Economic Development Board (EDB) of Singapore, becoming the

KS Natural Resources will serve as the group's hub for its international operations and help it create agri-assets, globally. The firm has set a target to generate revenue of \$1-billion per annum from South East Asian region by the year 2014. "From Singapore we will drive investments in agri-plantations in Indonesia and Malaysia and also create a strong base in Singapore to tap various financial, R&D and growth opportunities from this hub like international commodity trading, M&A opportunities and IPR led initiatives," adds Mr Agarwal. The firm is bullish on the demand for edible oil especially in the refined oil segment.

amit.sharma15@timesaroun.com

