

# Emami aggressively looking at acquisitions

**ASHU DUTT**

Emami posted handsome growth in Q4 with revenues growing 21 per cent and profits 17 per cent. Speaking to *Bloomberg TV India*, Emami Chief Financial Officer NH Bhansali says the company is aggressively looking at acquisitions in India and abroad.

Emami, which has cash reserves of ₹1,200 crore, has already paid hefty dividends, but has no plans to split shares or offer a bonus to shareholders immediately, he said.

**You have a very strong cash position, a low capital base of ₹22 crore and huge reserves of around ₹1,200 crore. You've been investing pretty heavily by about ₹200 crore last year. Given this scenario, what are you planning to do with this extra cash? Are you going to make more acquisitions or increase the dividend?**

Our dividend-payout ratio is about 35 per cent. And, we would also be investing in good opportunities that we come across. We are very aggressively looking at opportunities in India and abroad.

We already acquired one, Kesh King, in the second part of the last year. It was a very sizeable acquisition at about ₹1,700 crore. We would keep on evaluating several other investment options for growing the business further.

**You are already a cash-generating machine. There are very few companies in India which have been able to**

**generate this kind of cash and you are continuously doing it. You are paying back your loans and you may even be close to zero debt at some point. So, is an acquisition around the corner?**

As I said, we keep on evaluating. It is very difficult to say when it will happen. We are aggressively looking at opportunities in the organic sector as well:

**Your dividend is already at ₹7 per share. Two years ago, it was ₹8 a share. Will your extra cash go to the shareholders? Would you increase the dividend rate?**

For the time being, our dividend-payout ratio is about 35 per cent, which we believe is sufficient, looking at the kind of business model that we have and at the opportunities that we keep looking at.

**You have a capital base of ₹22 crore and ₹1,200 crore of reserves. Is it time to split the stock and give a bonus? Is that something you will consider in the next one year?**

For the year, we do not have anything to offer. Our share is already priced at ₹1 per share. We believe that it is sufficient for now and we are not looking at any split or any further bonus because we

did issue bonus two years back.

**Heading the finance department, you have done an amazing job. What about shareholders? Can there be a stock split? What about increasing dividends? What are your thoughts on that?**

If you look at dividends track record, we declared the bonus two years back and post bonus the dividend rate has been 700-800 per cent. And that is despite increasing the equity base by 50 per cent. So, we continue to give a very liberal dividend to the shareholders. And on top of it, if you look at the valuation, it has increased over the period. I think the shareholders are pretty happy there.

**You've paid off a lot of your debts. When do you plan to become a zero debt company?**

I believe it would be within the next 18-24 months or so.

**With so much of cash and low debt, are you looking at a big acquisition? Which markets are you looking at? Will you look at Asian markets or globally?**

We are present in healthcare and personal care segments. We are focused globally in few markets such as South-East Asia, West Asia and Russia. So, our focus will be to look into the categories which we are present in and also where we have a footprint.

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**NH BHANSALI**  
Chief Financial Officer, Emami

