

### Emami's Paras bid

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## EMAMI FRONT-RUNNER FOR PARAS PHARMA

BS REPORTER

Mumbai/Kolkata, 1 December

**K**olkata-based Emami Ltd has emerged the front-runner in the race for Ahmedabad-based Paras Pharmaceuticals. Three other companies are also in the fray, though their names could not be ascertained.

Emami is said to have placed a bid of \$750 million (Rs 3,400 crore) — higher than the \$700 million (or ₹3,100 crore) received from other contenders in the race. Emami Director Aditya Aggarwal said "Paras is a pan-India brand. It's a great fit as brand, sales and marketing integration can easily be done."

Informed sources say Emami is ahead of the pack.

The company is paralytically talking to ICICI, Axis, HSBC and Standard Chartered banks for acquisition financing. They expect the total deal size to be ₹3,200 crore.

The race to acquire Paras has been the most keenly tracked of such transactions in recent months.

When Morgan Stanley was appointed investment banker with a "sell mandate" two months ago, both Actis and Sequoia, the private equity in-



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vestors, were looking to offload their 70 per cent stake for over ₹3,200 crore. This valued the firm at about ₹4,500 crore, which observers said was steep.

The reason attributed to the valuation was the lack of credible buys in the fast moving consumer goods (FMCG) space in India. This has been the case with most FMCG companies wrapping up international ac-

quisitions more than domestic buys in recent years.

But when local buys do come up, firms here appear to be in no mood to miss the bus as is evident with the interest that domestic FMCG firms have shown in Paras.

Godrej Consumer, Marico, Dabur and Emami all threw their hats in the ring initially. Emami appears to have survived to the end.