

Emami to push Zandu's ayurvedic portfolio

Plans exports; eyes 20% revenues from the acquired firm

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One-and-a-half months after taking full control of Zandu Pharmaceutical Works, the Kolkata-based Emami Group expects the newly-acquired company to contribute an additional 20% to its topline and bottomline.

Over the next six months, Emami plans to focus on adopting measures to utilise Zandu's brand equity.

Harsh Agarwal, director, Emami, said the company sees Zandu as a strong ayurvedic brand. "And over the next six months, we will focus on controlling the entire brand portfolio." The measures will include exports, enhanced marketing and promotions and setting up of a new unit at Pantnagar, Uttaranchal.

Agarwal said that Zandu products will be exported for the first time and the thrust would be on Zandu Balm and other ayurvedic products "because of the international interest generated in herbal products".

Currently, exports contribute 15% to Emami's FMCG turnover, which is targeted to cross Rs 700 crore by the end of this fiscal.

Emami is also setting up a new Rs 40-crore unit dedicat-

Brand game

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ed to manufacturing Zandu products, at Pantnagar, Uttaranchal, which is slated to go on stream by April 2009.

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In the initial phase, Emami will focus mainly on few brand including Zandu Balm, Kesari Jivan Chyavanprash and Zandu Pancharishta (digestive product).

According to an FMCG analyst, the potential of Zandu's brand equity has not been exploited so far.

Agarwal said that the

Emami

Share price on BSE in Rs



group has decided to keep Emami and Zandu branding separate since "each has a strong brand equity".

Emami invested about Rs 700 crore from internal accruals in acquiring 70% in Zandu Pharmaceutical from its owners in a long-drawn process, which was completed recently.

Meanwhile, Emami's plans to dilute 15% stake is still on track and waiting for the right valuation since it's "not in hurry".

Emami expects its FMCG business to clock a turnover of over Rs 700 crore this fiscal-end against last fiscal's Rs 600 crore.

The group turnover is likely to cross 1,500 crore, an increase of 15-20%.

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