

Deal a big shock for us: Emami

Emami Boss Confident Of Bagging Paras Till Last Minute

IT is an absolute shock," says Emami Executive Chairman RS Agarwal about his company losing out to Reckitt Benckiser in the race to buy Paras Pharma. "Our price was much more than at what the deal has been signed," he told ET minutes after Reckitt announced the ₹3,260-crore deal to buy the makers of Moov, D'Cold and Krack. Excerpts from an interaction with Writankar Mukherjee.

You were one of the front-runners for acquiring Paras Pharmaceuticals. Do you see Reckitt Benckiser's \$726-million deal to buy Paras a setback for Emami?

This is not just a setback, but a big surprise and shock for us. We were extremely confi-

dent about bagging Paras Pharma till the last minute, and what is surprising is that our offer price was much more than at what the deal has been signed. I don't understand how the deal was signed at such a lower price. Maybe, the investors of Paras were more comfortable with the final negotiations and the lower price that Reckitt Benckiser offered them. After all, multinationals have their own way of working. But we were extremely confident about bagging Paras till the last moment. The deal has been signed in London and currently there is no scope of a counter bid.

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RS AGARWAL
EXECUTIVE CHAIRMAN
EMAMI GROUP

Post-mortem on why we failed

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HOW much was your bid amount?

At this moment, it is not possible for me to reveal that. We are doing a post-mortem on the possible causes why our offer failed. But our offer price was certainly much more than at what the deal has been signed.

Do you think Emami losing out despite offering a better price could be due to racial discrimination?

I would not like to make any comment on this at the moment.

Emami recently announced plans to raise up to Rs 5,000 crore, which would have helped you clinch Paras. What do you plan to do with the money now?

We will utilise the money in pursuing other acquisitions as well as for organic growth. In fact, we were also reviewing a few other deals, but the momentum got slower since all our energies were on Paras. We have a few more targets in mind in the

personal healthcare segment in Moscow, Turkey the Middle-East and even US. Now, all these projects will run in top gear and we expect to close one of them in 2-3 months. In India, however, Paras was one of the last major FMCG targets and there is very little scope for any other such acquisition presently.

Do you plan to foray organically into product categories where Paras has a big presence such as pain relief ointment (Moov), heel-care lotion (Krack) and cold remedy (D'Cold)?

Absolutely. We will launch products in these categories over the next six months and we will be a strong challenger in each of the segments where Paras is strong. We will throw up a big fight for market share in these segments. I am also confident that our growth plans will not be hampered due to Paras not happening and Emami will continue with its growth plans of clocking more than 20% growth annually.