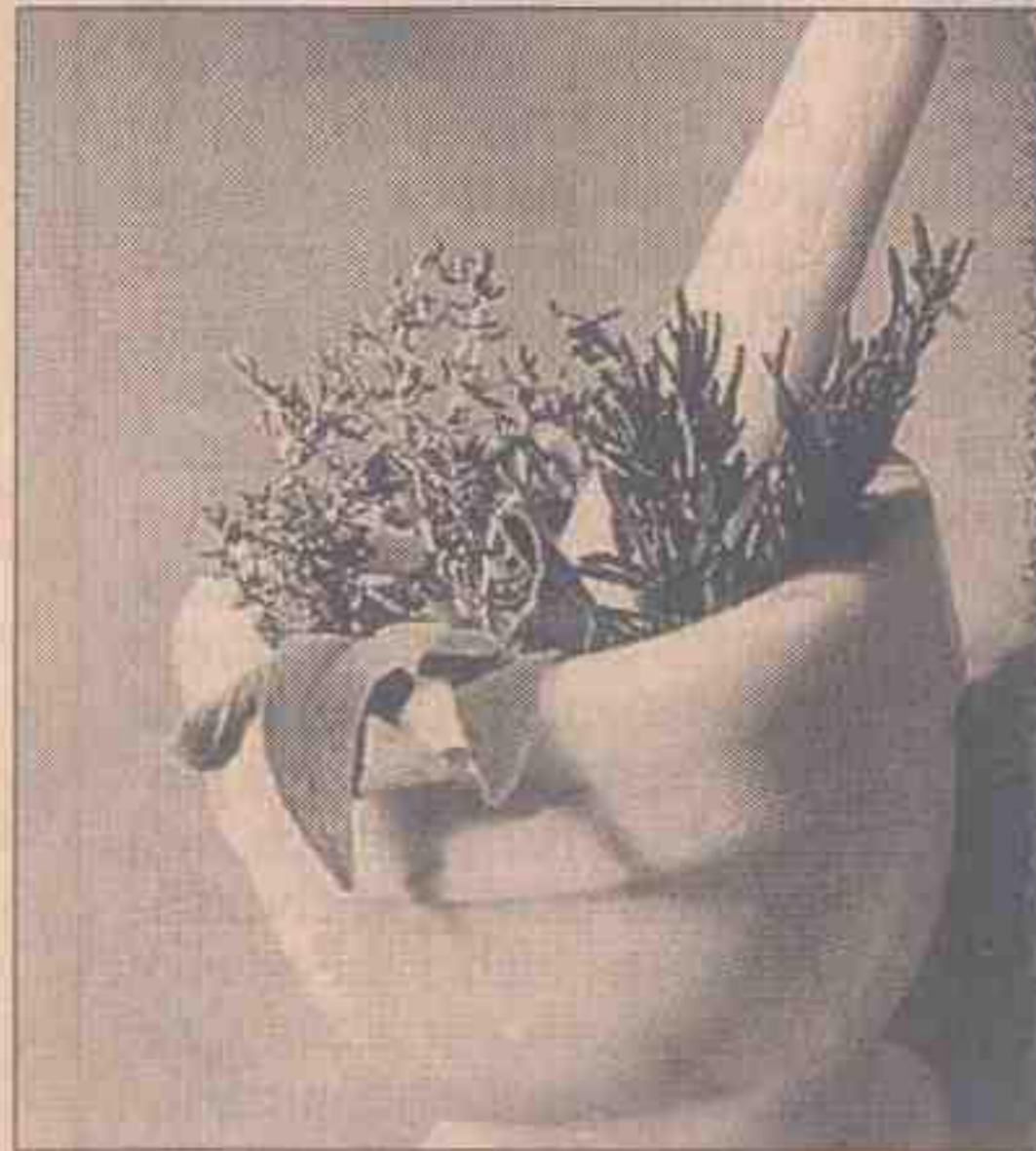


**Emami mops up Rs 310 cr**

Foreign and domestic institutional investors including mutual funds on Thursday lapped up 100% of personal care products maker Emami Ltd's qualified institutional placement (QIP). The company mopped up some Rs 310 crore by issuing some 100,00,000 equity shares of Rs 2 each at Rs 310 per share to qualified institutional buyers.

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**Our Bureau**  
KOLKATA

FOREIGN and domestic institutional investors including mutual funds on Thursday lapped up 100% of personal care products maker Emami Ltd's qualified institutional placement (QIP). The company mopped up some Rs 310 crore by issuing some 100,00,000 equity shares of Rs 2 each at Rs 310 per share to qualified institutional buyers.

Emami director Mohan Goenka told ET: "About 8-10 investors collectively subscribed to the QIPs. While the foreign investors mopped up some 65% of the total offering, domestic ones picked up about 35% of the total offering. The company intends to use the proceeds to retire debt which it took to part-finance its takeover of Mumbai-based Zandu Pharmaceutical Works last fiscal."

Mr Goenka, however, refused to name the investors citing confidentiality reasons.

Elaborating, Mr Goenka said, "Post takeover of Zandu Pharmaceutical and implementation of the recently announced restructuring of its FMCG and the realty business, Emami Ltd will have a debt of Rs 450 crore approximately on its books." These debts were taken at an interest rate of 11-12%.

"We intend to retire the company's entire debt component in the current financial year itself, but in a phased manner. Apart from the QIP proceeds, Emami Ltd will also use internal accruals generated during the year to retire the debt completely by 2009-10 fiscal. We will hopefully become a debt free company by end March 31, 2010," he added. The company launched the offering on June 30, 2009, and priced it on July 2, 2009. India Infoline and Anand Rathi Financial Services were the global coordinators and book runners for the issue.

While bulk of the Rs 310 crore will be used to retire the company's debt, a portion of the issue proceeds will also be used to develop new products and invest in secured instruments to protect stakeholders interest, said Emami chairman RS Agarwal.

Incidentally, the QIP offering coupled with the restructuring exercise will scale down the promoters' holding in Emami. The twin corporate development will bring down the promoters' stakeholding to roughly 73% from their existing holding of 87.84% and non promoter holding to 27%.