

Emami to recast business of Zandu, realty unit

Publication: The Economic Times, Edition: Kolkata, Reporter: Bureau, Published Dt.: 03/31/2009, Page No.: 5

Emami to recast business of Zandu, realty unit

Our Bureau
KOLKATA

THE Emami Group is looking to restructure the business of its recent acquisition — the Mumbai-based pharma firm Zandu Pharmaceutical Works. A Rs 2,000-crore diversified group with interests in FMCG, healthcare and realty sectors, Emami also plans to recast its realty business managed by group company Emami Realty.

Speaking to mediapersons after a board meeting in Kolkata on Monday, Emami Ltd CFO & president NH Bhansali said: "The move is part of the group's overall corporate strategy to reorganise and realign its businesses after taking into account multifarious factors, including the commercial angle, corporate governance issue, tax options as well as costs."

"We have formed a separate

committee to weigh and evaluate all options, including merger, demerger or other alternatives, and evolve a restructuring plan for itself, its subsidiary Zandu Pharmaceutical Works and its wholly-owned subsidiary Emami Realty," Mr Bhansali added.

Emami Ltd is the group flagship as well as the holding company of both Zandu Pharmaceutical Works and Emami Realty. The board of Zandu Pharmaceutical Works met separately in Mumbai and formed a committee to consider various options to help realign its business with holding company Emami Ltd.

"For starters, the committees of both Emami Ltd and Zandu Pharmaceutical Works intend to appoint advocates, legal advisors, valuers as well as merchant bankers to get expert advice for the same. If all goes

well, both the committees will take at least a little more than 30 days to evolve a feasible restructuring plan," Mr Bhansali elaborated.

It may be mentioned that following the acquisition of 72% controlling bloc of Zandu Pharmaceutical Works in mid-October, Emami Ltd has been looking to consolidate Zandu's business and become a dominant player in the FMCG segment. Since the company has tremendous growth potential, Emami intends to tap them to improve its topline as well as bottomline.