

Emami in Final Stages of Talks to Buy Out Firms at Home & Abroad

To complete acquisition in three months in a deal likely to be valued at ₹ 1000 crore

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Emami Ltd is going to complete an acquisition in three months in a deal that is likely to be valued at around ₹ 1,000 crore, said chairman RS Agarwal.

The makers of Boroplus, Fair and Handsome, Navratna Oil and Zandu Balm, Emami are at present in final stages of negotiation with couple of target companies in India and abroad. This also includes the personal care business

of Paras Healthcare, which Reckitt Benckiser acquired last year and now planning to sell-off.

Emami is evaluating acquisition in segments like food products, oral care, hair colour, hair conditioner and nutraceuticals.

It has roped in a battery of merchant banks and consultants who are negotiating to conclude the deal. "We are aggressively pursuing multiple targets and will try to keep the deal below ₹ 1,000 crore. However, if there is good target, we are ready to invest further," said Agarwal.

He said Emami had last year offered ₹ 3,400 crore for acquiring Paras, which was eventually acquired by Reckitt Benckiser. "We already have that much cash reserve in hand. Emami is debt free and hence we have that option to raise cash. And if required, the promoters can even off-load 4-5% equity of their

74% holding in the company to raise further money," said Agarwal.

Emami is also planning to enter the premium segment under a new brand in the next one year. Agarwal said the new brand will offer products in both personal care and healthcare segments.

The company on Saturday announced its result for the first quarter, ended June 30, 2011. Emami's net profit grew by 17.7% to ₹ 41.5 crore, while the company's turnover went up by 23.95% to ₹ 299.91 crore. Emami attributed this growth to strong performance by brands like Navratna Oil, Zandu Balm, Fair and Handsome, and Menthoplus Balm.

The Fair and Handsome brand leads the men fairness cream market in India with 66% market share. Emami also is expanding its business overseas and its Boroplus Antiseptic Cream is the largest selling antiseptic cream in India, Ukraine, Russia and Nepal.

Buying Spree

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