

Emami weighs price hike

A STAFF REPORTER

Calcutta, Feb. 11: Emami Ltd, the city-based FMCG firm, is weighing a price hike of about 4-5 per cent on select summer products over the next two quarters.

It is also drawing up plans to set up a manufacturing unit for health and personal care products in the Northeast.

"So far we have implemented a judicious price hike of about 6 per cent this year. In the fourth quarter, there won't be any major price increase.

But we do have plans to increase prices of some of our products by 4-5 per cent between now and March. So, we do not think this will have an immediate impact on the fourth-quarter results. This



Naresh H. Bhansali (left) and N. Krishna Mohan in Calcutta on Monday. Picture by Kishor Roy Chowdhury

will take care of the inflationary pressure and input cost pressure. We are expecting a 17-18 per cent growth in our topline and bottomline this fiscal-end," said N. Krishna Mohan, chief executive officer

(sales, supply chain, human capital), of Emami.

The firm expects menthol prices to stabilise next fiscal with an improvement in supply

"Prices are coming under control. In the third quarter,

despite increases in the cost of rice bran oil and menthol, our margins improved 30-35 per cent. Menthol prices should reduce in the next fiscal. So, margins may increase. Raw material costs comprise about 18 per cent of our total cost," said Naresh Bhansali, CEO (finance, strategy, business development).

The company said its unit in Bangladesh would operate at full capacity by next fiscal. Domestic sales have grown 40 per cent in 2012-13 on the back of a strategy to promote core brands such as Boroplus and Fair And Handsome.

Emami has decided to await clarity on certain macro-economic factors before finalising its plan to set up a unit in Egypt.