

# Emami readies ₹500-cr budget for acquisitions

**SHOPPING LIST** Company looking at buyouts in personal care and healthcare space, may also launch new products

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**MUMBAI:** Armed with a war-chest of over ₹500 crore, fast-moving consumer goods (FMCG) major Emami is eyeing acquisitions in the personal care and healthcare space, besides expanding its product portfolio.

The company that manufactures both old traditional brands such as Zandu and new-age brands like Fair and Handsome, had acquired Zandu Pharmaceutical Works, the maker of Zandu balm and other healthcare products, in 2008 for over ₹700 crore. However, it lost out on several other chances in the last two-four years, including the acquisition of the personal care products business of Paras Pharma, which was eventually acquired by local rival Marico.

"We are on the lookout for value accretive buys. We have cash reserves of over ₹500 crore, which will be used for acquiring companies to expand in our core areas of healthcare and personal care," NH Bhansali, CEO, finance, strategy and business development, told HT.

Besides acquisitions, Emami is also expanding its organic footprint by setting up new plants and increasing distribution



**BUYOUT BLUES?**

- Emami acquired Zandu Pharmaceutical Works, the maker of Zandu balm, in 2008 for over ₹700 cr
- It missed several other chances in the last two-four years
- The company lost out to Marico in the race for acquiring the personal care products biz of Paras Pharma

**₹151 cr** Emami's net profit in Oct-Dec, a 31% rise against a year ago

**₹585 cr** Net sales in Q3, a 7% rise

across the country.

"We set up a manufacturing plant in Bangladesh in 2012-13. In India, we have seven facilities and are planning to open a new unit in the North East in 2014-15," said Bhansali.

The company, which launched Boroplus facewash last quarter, also plans similar launches.

Emami's net profit rose 31% year-on-year to ₹151 crore during the October-December quarter, helped by stable input costs and a cut in advertising and promotional expenses. Net sales, though, rose only 7% to ₹585 crore due to slow offtake, particularly of skin care products.

"There has been a substantial

slowdown across urban as well as rural markets. Our growth was also somewhat impacted by an erratic winter," added Bhansali.

The company also hopes that rural growth, which contribute to almost 40% of its sales, will pick up over the next few months. "A bumper agriculture crop should help rural market pick-up. We are expecting more than 10% growth in our total sales in the January-March quarter," said Bhansali.

Emami's international business grew over 30% in the third quarter and Bhansali said the company will focus on expansion in key markets of Bangladesh, West Asia and Russia.