

**Emami**

# Value Creation By Products



**N H Bhansali, CEO, Finance Strategy and Business Developments, Emami** talks about the importance of value creation by India's personal and healthcare industry. The company which posted a record turnover in 2012-13, says they have plans for some more product launches this year too.

**N H Bhansali**

CEO, Finance Strategy and Business Developments, Emami

**What is your outlook on value creation?**

In simple terms, creating a sustainable growth and wealth for the shareholders is value creation. Value creation aims at providing effective, contemporary, well researched and world class yet affordable product to consumers.

**What are the strategies that you have adopted to be on the top?**

Our company through its convictions and hard work always thrive to give products of international quality at affordable price. At Emami, we provide products which are effective, and based on nature, that are also contemporary based on a combination of Ayurveda heritage with modern science. We then market the product aggressively, and communicate to our consumers through celebrities who endorse our products. Effective & strategic media & communication plans help us to achieve our objectives. Our R&D team continues to research on products relentlessly to ensure effectiveness of the same with changing consumer needs in dynamic world.

**Which sectors have managed to become**

**wealth creators for investors? Have shareholders benefited from capitalism in India?**

Many Indian companies particularly in pharma, consumer, IT, etc sectors have created substantial wealth for investors. Take example of Emami, it has generated wealth of over 9000 times in 35 years for its initial shareholders. Capitalism has facilitated bring focus on appropriate utilisation of scarce resources be it men, money or materials and has resulted in generating benefits for the shareholders. However, to promote competition and nullify the ill-effects of capitalism commensurate regulations are being brought like competition laws etc

**Are there any capex plans?**

Our company is a marketing based company. So our main expenditure is marketing. We spend over Rs 300 Crores annually for marketing our products.. We are not so capital intensive, hence capex is relatively low.

**Any acquisition or new products lined up?**

We always try to explore strategic

opportunities, whether through organic or inorganic route in India or abroad. The last acquisition we did was for Zandu. In the balance sheet we have over Rs 500 crore available as net cash surplus and adding to that there is a tremendous potential for borrowing. We keep on introducing new products, and extensions Fair & handsome face wash, BoroPlus Antipollution Face Wash, boroplus lotion have been launched recently. We keep on coming out with new launches and we have plans to launch more new products in personal and healthcare segment in the near future.

**Where do you predict Emami to be standing in a few years time?**

In the last few years we have grown at a rate of 20 per cent, on YoY basis baring some exceptional years of slowdown because of the erratic weather and depressed economic conditions. Penetration level of categories we are present in, is low, mass market which we target is growing aggressively and literacy coupled with media penetration in India is growing exponentially. Emami is poised to leverage this opportunity and it aspires to double the turnover in the three years and triple it in the five years.