

Emami Raises ₹ 950 Cr for Kesh King Buy

Our Bureau

Kolkata: Emami Ltd has raised ₹ 950 crore debt to partially fund the acquisition of Kesh King brand of hair products which was touted as one of the biggest deal in recent times in the Indian FMCG industry.

The Kolkata-based makers of Fair and Handsome and Zandu Balm said the balance amount of the ₹ 1684 crore Kesh King deal will be funded from internal accruals, its first quarter earnings release said.

"The Kesh King business is being integrated with Emami's existing business and it has already started contributing to the growth. We plan to make Kesh King a pan-India brand soon," said Emami

Ltd director Harsha V Agarwal.

Kesh King's market presence was limited to seven states only and Emami plans to export the product in markets where there is sizeable Indian diaspora.

The acquisition enabled Emami to enter the ayurvedic hair and scalp care segment. The company on Wednesday announced 23.9% jump in net profit at ₹ 87.75 crore during the first quarter ending June 30 on back of 22.4% jump in sales at ₹ 589.87 crore as compared to the same period last fiscal.

Emami said its domestic business during the quarter grew by 23.4% despite prevailing macro-economic challenges and not very favourable weather.

The Emami scrip was down by 0.35% to close at ₹ 1322.9 at the Bombay Stock Exchange on Wednesday.

The company will expand the Zandu brand into newer healthcare categories and will soon start test-marketing some products in Andhra Pradesh, across both over-the-counter and through doctors. Emami has also decided to consolidate its international business on selected geographies such as the Saarc, Middle-East and CIS nations with a plan to grow contribution from 14% of sales to 25-30% in five years.