

## SLUMP SALE

# Emami acquires Kesh King for ₹1,651 crore

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MUMBAI

**E**mami Ltd on Tuesday said that it has acquired the hair and scalp care business Kesh King from Himachal Pradesh-based SBS Biotech Pvt. Ltd for ₹1,651 crore through a slump sale. Such a sale involves sale of the whole business for an amount without assigning values to individual assets and liabilities.

Emami is new to the Ayurvedic hair and scalp care segment. As per the deal, SBS Biotech promoter Sanjeev Juneja's brand portfolio of Ayurvedic medicinal oil, herbal shampoo and conditioner and Ayurvedic capsules along with its formulations, assets, rights and liabilities including working capital will be transferred to Emami, a company statement said.

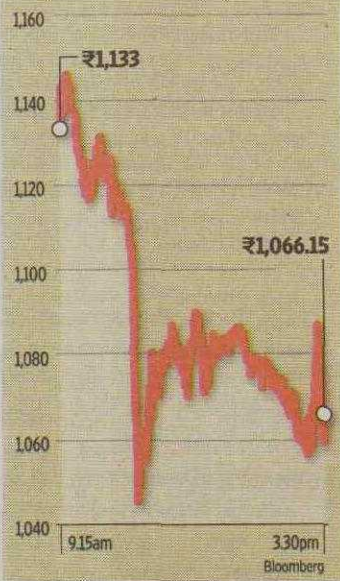
Kesh King and allied brands had a revenue of ₹300 crore in 2014-15 and have been growing at an average of 68% a year for the last three years, said Harsh Agarwal, director, Emami. He did not disclose the profits made by the privately held company but said that their margins were better than Emami's.

Emami had reported a 20.7% year-on-year rise in net profit to ₹486 crore for 2014-15, and a 21.8% rise in revenue to ₹2,217 crore.

In January, Emami had acquired 66.67% stake in Australia-based Fravin Pty Ltd. The deal amount remained undisclosed. "We will continue to look for more acquisitions in health-care and personal sector in India

## MARKET SLUMP

Shares of Emami Ltd closed down 5.8% on BSE on Tuesday.



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and abroad," said Agarwal, adding that the current acquisition will be funded through a mix of internal funding and debt. "It will be EPS (earnings per share) accretive in the third year," he said.

Emami is now in a dominant position in the Ayurvedic and herbal space. In the Ayurvedic hair oil segment, Kesh King is the market leader and this will help Emami consolidate its position, said Abneesh Roy, associate director, institutional equities, research, Edelweiss Securities Ltd.

Shares of Emami Ltd closed at ₹1,066.15 apiece on BSE, down 5.8% from its previous close, while the benchmark Sensex fell 2.37% to close at 27,188.38 points.