

Emami Buys 67% Stake in Aussie Firm Fravin

Our Bureau

Kolkata: Emami has bought 66.67% stake in Australian company Fravin Pty, its second acquisition this fiscal, marking its entry into the organic products segment.

The acquisition, announced on Thursday, sent Emami's shares up by over 3% on the Bombay Stock Exchange. Kolkata-headquartered Emami declined to comment on the size of the transaction but two senior industry executives close to the deal estimated it to be about ₹40 crore.

"The Fravin acquisition is of a strategic intent to acquire skills in organic products, since the acquired company is quite small in scale, and would not add much to either our topline or bottomline," Emami's director, Harsh Agarwal, said. "The company is profitable, has already made its mark in Australia and we would expand it globally and in India in due course."

Emami has bought the stake through Emami International FZE, a subsidiary. The FMCG company may acquire the remaining stake in Fravin from founder promoter Peter Francis later, Agarwal said.

Fravin, which makes hair care, skin care and kids products, has an R&D and manufacturing facility in Adelaide. It has over 100 products under leading brands such as Abache Organics and eco.kid.

Agarwal said Emami will launch the brands in India too, since the potential for organic products is huge. "Consumers in India are increasingly becoming conscious about safety and chemical components, which will help to grow the organic FMCG market. It will, however, remain a premium category for the moment," he said.

Earlier this fiscal, Emami acquired She Comfort from Royal Hygiene Care for an estimated ₹40 crore. The company's management has indicated plans to acquire more firms to grow scale.