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Half a century on, Emami eyes new sectors for growth



Second-generation promoter directors of Emami Group:
(From left) Harsha Vardhan Agarwal, Manish Goenka, Prashant Goenka, Aditya Vardhan Agarwal, Mohan Goenka and Priti A Sureka (seated)

ISHITA AYAN DUTT
 Kolkata, 13 December

From a 40-square-foot room on Mukhtar Babu Street in North Kolkata, a “first factory” of sorts, Emami set foot in the world of fast-moving consumer goods (FMCG) with a vanishing cream, talcum powder and cold cream after two childhood friends Radhe Shyam Agarwal and Radhe Shyam Goenka gave up corporate jobs with the Birla Group to start a business.

In the last 50 years, it has traversed the journey from a start-up cosmetics company with four products to more than 500 across a ₹30,000 crore group with diverse business interests – from FMCG to paper, real estate and edible oil. Now, the search is on for new sectors. Management consulting firm, McKinsey has been mandated to identify new sectors that the group can enter.

Aditya V Agarwal, director, Emami Group, said that the mindset of the group was consumer-oriented. “Going forward, we will look at more consumer-facing businesses. We are looking into some new ventures and studying 7 or 8 sectors. Out of this, we will select one or two to start with. The business needs to grow. And more family members are also joining,” he said. Six members from the third genera-

tion are said to be learning the ropes of the business.

The options before the Emami Group range from staples to ready-to-eat and ready-to-cook, do-it-yourself and even white goods. It could be either under Emami Ltd or Emami Agrotech. Or, a separate company altogether.

Emami Ltd is an FMCG company operating in the personal care and healthcare product space with a product portfolio of 450 across more than 15 brands. Some of the major brands include BoroPlus, Navratna, Fair and Handsome, Zandu.

Emami Agrotech, on the other hand, is the edible oil arm of the group and accounts for the bulk of the group's turnover at around ₹18,000 crore. It also has an interest in spices and recently forayed into soya chunks. The food play is likely to be largely led by this company.

Growth plans are in the works for the paper business under Emami Paper Mills as well. And it may even look at acquisitions for expansion. So, what are the high points in the group's journey? Agarwal lists launches like Fair & Handsome, where multinationals followed suit. The acquisition of Zandu Pharmaceuticals marked a significant milestone.

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