

'We Want to Grow Our Int'l Business'

FMCG CO EMAMI IS CONFIDENT OF DELIVERING AT LEAST 15% GROWTH IN NEXT 3 YEARS AND WANTS 40-50% OF ITS REVENUE FROM FOREIGN MARKETS

India's rising consumption story makes FMCG an attractive theme for investors. Another factor that entices them to the sector is its evergreen outlook. FMCG stocks such as Hindustan Unilever, ITC, Dabur and Godrej Consumer Products have given handsome returns to investors—50% to 180% in five years, but the Kolkata-based Emami has outpaced them, gaining 235% in the period. This was made possible by the company's ability to create niche products. In an interview with ETIG's Jwalit Vyas, the company's director, Harshvardhan Agarwal, says there will be no slowing down as he expects the company's double-digit growth to continue in the

coming years. Edited excerpts:

Emami has delivered robust returns over the past five years. How do you plan to keep the momentum going?

The objective is to grow faster than the industry. For that, we continue to focus on existing brands, ramping up the distribution network and improving cost efficiency using technology. We are investing heavily in our brands, much higher than the industry levels. At the same time, the idea has always been not to compete with the bigger brands, but to keep coming out with innovative niche products that can be-

come successful. So, if you look at our product line, we were the first to introduce such products in the market.

Have you identified any new categories?

We have launched a new product called waterless face-wash for men who are always on the go. Also we have increased our focus on healthcare. Our brand

Zandu has a strong brand recall and we see a good opportunity there.

Do you see Patanjali as a threat in this area?

Patanjali, in fact, is helping by creating awareness for natural and Ayurvedic products. We are already seeing the tailwind effect of that. Customers are

increasingly demanding more natural products.

Other than this, where else can the growth come from?

International business is another area where we want to grow. Currently, it accounts for 12-13% of our total sales. Other players such as Godrej Consumer Products and Dabur India generate 40-50% of revenue from foreign markets. We, too, want to reach there. We are already present in Bangladesh, Russia, the Middle East and Africa. Our endeavour would be to penetrate further in these markets. We have recently set up a manufacturing capacity in Bangladesh.

"Our objective is to grow faster than the industry"

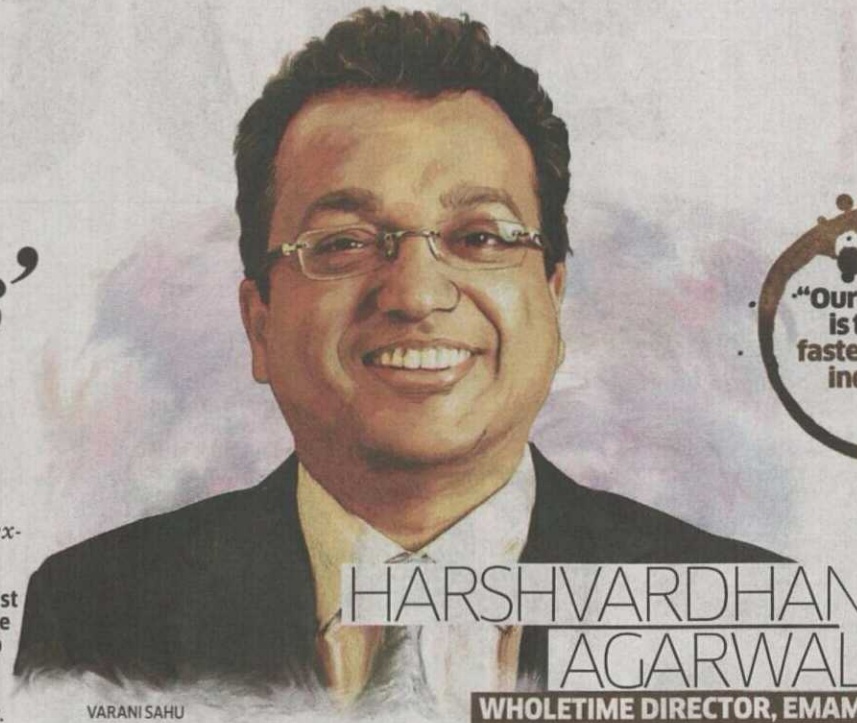
Can you give some growth guidance?

We will be able to report at least 15% growth for the next three years with more or less the same margins.

But in the last few quarters, growth has been impacted. When do you expect it to bounce back?

The phase of slow growth was just temporary, first due to demonetisation and then because of GST. There are still some trade-related issues, but, broadly, the business momentum is back to normal. I feel it is just a matter of time. In the next one or two quarters, you will see the growth coming back. ■

jwalit.vyas@timesgroup.com



HARSHVARDHAN AGARWAL
WHOLETIME DIRECTOR, EMAMI

VARANI SAHU