## **The Hindu Business Line**

However, despite challenges, we managed to report profitable growth from an EBIDTA perspective. Major initiatives such as increase of outlets covering more villages and so on helped the process.

We have also introduced innovative brand extensions during the year and the consumer re-

and more discerning for value added benefits. We have also commenced oper-

sam, the benefits of which will become evident across the foreseeable future.

### demonetisation in your Q4 numbers?

Yes. We believe there was some impact of demonetisation in O4 although the impact came down drastically. But it (impact) was more in the case of wholesale trade and now the wholesale

trade is worried about uncertainties which may come with the introduction of GST.

We, however, believe that introduction of GST is a positive step and would be beneficial for the industry in the long term. There are initial apprehensions and uncertainties which might have shortterm impact.

#### What's the outlook for this fiscal?

Reasonable GDP growth, normal monsoon forecast, increasing infrastructure and government spending along with growing consumerism are expected to help in generating good growth on medium- to long-term basis. We expect second half of the current fiscal to be better than the first half.

#### Are you trying to shield your supply chain by opting for direct distribution?

This year we have plans to increase the distribution to around 8 lakhs from around 7 lakhs (outlets). Nearly 50 per cent of these

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are in rural areas. Two to three years back our direct reach was around 3.5 lakh outlets (across

and grocer shops.

We believe for any organisation, efficient direct distribution is always the best way to reach retailers so that the dependency on indirect trade such as wholesale

'HE' is yet to break even. So would you still look at extending its portfolio? HE is still a young brand and we are in investment mode.

Direct distribution expansion will come through increase in reach to general trade including chemist shops, cosmetic stores and grocer shops

HARSH AGARWAL, Director, Emami Ltd

'GST will be beneficial in the long run' 'HE' brand was launched two years back by foraying into the cluttered deo space with a differentiated positioning of 'Be Interesting'. We would continue to be very innovative and extend (it) into other categories in the men's grooming segment. We have just

> wash category by launching a waterless facewash, "HE On The Go".

Any additions for Kesh King or

## shampoo with Kesh King as of

Navratna?

now. Navratna, however, might be extended into other categories depending on the product fit.

We would like to focus on oil and

#### Has the SHE brand been taken off the shelves?

Yes. As a company we see better opportunities in other areas including the potential in our existing power brands. Hence, we have decided to focus on them and keep 'She' on-hold.

Is the brand up for sale? Not as of now.

> Would you invest in FMCG start-ups?

> > We are open to investing in startups which has strategic fit with us and which can help us in our future growth plans.



sponse to these have been encouraging, especially in view of them becoming more

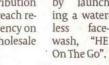
ations at our Pacharia plant in As-

# Did you see spillover effect of



urban and rural). Direct distribution expansion will come through increase in reach to general trade including chemist shops, cosmetic stores

entered the face-



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**ABHISHEK LAW** 

share of hiccups post

Harsh V Agarwal, Director,

Emami. In an interview to

imposition of GST, opting

and investing in HE brand, among

So how was FY17 for Emami?

Any specific consumer trends

In FY2016-17, a strong summer fol-

lowed by good rainfall during the

first half of the year allowed our

sales to remain buoyant. In the

second half, the demonetisation

initiative affected both consumer

sentiment and offtake, largely in

rural and wholesale markets.

Cash profit reported a decline of 1

per cent compared to the same

period in the previous year.

BusinessLine, he talks

about the impact of

demonetisation and

others. Excerpts:

that you noticed?

FMCG major, Emami Ltd, has seen its

demonetisation. But that was the

past. The company is now gearing

up for implementation of GST, says

Kolkata, June 18

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