

# RP-Sanjiv Goenka Group buys Gujarat-based Apricot Foods

Group buys controlling stake of 70% in packaged foods company for Rs440 crore

BY SOUMONTY KANUNGO

soumonty.k@livemint.com

KOLKATA

**T**he RP-Sanjiv Goenka Group on Friday said it had bought a controlling stake of 70% in packaged foods company Apricot Foods Pvt. Ltd, for Rs440 crore. The Rajkot, Gujarat-based privately held company sells affordable consumables under the E-Vita brand. Apricot Foods has production facilities in Rajkot and Hyderabad. It produces snacks priced at Rs5 per pack and has annual revenue of around Rs200 crore, Sanjiv Goenka, chairman of RP-Sanjiv Goenka Group, said. The E-Vita brand will be used by his group to sell affordable snacks, he added.

The founders of Apricot Foods, Sanjay and Rajesh Patel, will for now hold the remaining 30% stake, according to Goenka.



RP-Sanjiv Goenka Group chairman Sanjiv Goenka. INDRANIL BHOUMIK/MINT

The RP-Sanjiv Goenka group recently launched its eatables business under the Too Yumm brand from flagship firm CESC Ltd, a power utility which is being carved up to create separate arms. The consumer goods business is to be eventually controlled by CESC Ventures Ltd on conclusion of an ongoing restructuring exercise.

The group is also looking to set up new manufacturing facilities from scratch, Goenka said, adding that food parks in various states

such as West Bengal, Uttar Pradesh, Rajasthan, Telangana and Andhra Pradesh are being considered to locate the facilities in.

The group has budgeted for a capital infusion of Rs150 crore over the next two years to scale up its snacks business, according to Goenka. The business has got off to a "great start" with "demand exceeding production" even with new facilities being built, he added.

Speaking about Spencer's Retail Ltd, which runs superstores,

Goenka said the privately held arm of CESC had for the first time fully recovered operating costs in the June quarter, achieving what he described as "cash break-even".

Meanwhile, Goenka said the group was looking to divest its two hydroelectric projects in Arunachal Pradesh because of long gestation periods. "I am an impatient man," he said, adding that he did not have the patience to wait for "7-8 years" for things to materialize. "I might retire by then," he added. These two under-construction projects were acquired by CESC in 2012 from the Indiabulls Group.

CESC will also seek to expand its distribution business and is eyeing opportunities in Uttar Pradesh, Goenka said. The power utility, which has budgeted for a capital expenditure of Rs1,000 crore in the current financial year, produces 2,500 megawatt. Though it will remain invested in generation, the key growth driver going forward will be distribution, Goenka said.