

CESC to exit hydro, focus on distribution

TIMES NEWS NETWORK

Kolkata: CESC Ltd, the flagship company of the RP-Sanjiv Goenka Group, is looking for opportunities to exit hydro-electric power that it had forayed into five years ago when it acquired the proposed Pachi and Papu hydro projects in Arunachal Pradesh from the Indiabulls Group. After divesting hydro power from its portfolio, CESC Ltd will meet its statutory requirement in renewable energy through solar and wind power. Moving forward, the company intends to focus on power distribution rather than generation.

Speaking at a press conference on Friday, group chairman Sanjiv Goenka said multiple factors, including long gestation period of hydro projects and opposition from locals fuelled by activist groups, had made hydro projects unviable for the group. While the average project implementation cost is very high at Rs 12-15 crore per MW, the need to carry out multiple studies was time-consuming. "Several other challenges that the sector faces include poor infrastructure owing to remote site locations, unreasonable compensation rate on resettlement and rehabilitation, and stiff competition from other renewable energy sources like solar and wind. These made hydro (electric power) unviable for many," Goenka added.

Pre-feasibility reports, topographic survey for Pachi and Papu Hydro projects have been completed and environmental clearances were obtained, too. "We want to shift focus from generation to distribution and are in talks with various governments and agencies. We are particularly keen on Uttar Pradesh following its takeover by Yogi Adityanath as we believe he has ushered in transparency and cleaned up the malaise in the system," said Goenka.

The company had taken over the power distribution business at Greater Noida around 1994-95 but had thereafter stayed away from the state. In addition to Kolkata, it has recently acquired distribution franchise in Kota, Bharatpur and Bikaner in Rajasthan.

Basabdatta Sarkar



PAN-INDIA FOCUS: Sanjiv Goenka (right), chairman of RP-Sanjiv Goenka Group, and his son Shashwat at the group's AGM in Kolkata on Friday

Goenkas buy 70% stake in Gujarat snack co Aprocot

Kolkata: RP-Sanjiv Goenka group on Friday said it has acquired 70% stake in the Rs 440-crore Aprocot Food Group that markets low-priced snacks under the e-vita brand. Group chairman Sanjiv Goenka announced this while outlining the company's intent to evolve from a regional entity into a pan-Indian player through power distribution, retail and FMCG businesses. This is the first acquisition by Shashwat Goenka, the son of the group chairman Sanjiv Goenka, through the group FMCG arm Guiltfree Industries.

While Spencer's has a presence in multiple cities, the company plans to invest Rs 150 crore in a plant to ramp up manufacture of guilt free snacks marketed under the 'Too Yumm' brand. Sites in UP, Rajasthan, Uttarakhand, Telangana, Andhra Pradesh and West Bengal are in consideration. Next on the radar is a company that will give them a toehold in the premium snacks business. The group intends to leverage its presence in ISL and re-establish its claim on the IPL to promote the brand as its businesses acquire a national footprint. "If we use advertisement, we need to spend Rs 70-80 crore on TV commercials. Instead, the presence through sports is a cost-effective way to establish ourselves as a national brand," added Goenka. TNN