

Appejay lines up major expansion plans

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The Apeejay Surendra group, a Rs 4,500-crore diversified conglomerate, will invest over Rs 6,000 crore in its various businesses over the next three years. The group has interests in tea, hospitality, shipping, retail & real estate, financial services, shipyards, etc. Also, the group will launch Typhoo, its premium tea brand, initially in the northern region and later in other parts of the country.

Speaking to *Business Standard*, Apeejay Surendra Group Chairman Karan Paul, who is also the co-owner of the IPL team 'Kings XI Punjab', said: "We have earmarked over Rs 6,000 crore for expanding our diversified businesses, which will be spread over three years.

We will invest Rs 1,200 crore in the hospitality business, Rs 4,000 crore in shipyards, Rs 250 crore in logistics parks, etc. The investments will be funded through internal accruals, debt and term loans, and also private equity. The scope for partnerships in various projects is open."

The group also plans to buy new ships. Recently Apeejay Shipping, placed orders for three dry bulk carriers of 57,000 dwt each from one of China's leading shipyards, the Cosco Shipyard group, for \$130 million. The three vessels,

Dophin 57 design geared bulk carrier, will be built at Cosco's Guangzhou shipyard and will be delivered between next year and 2011. Apeejay Shipping expects to receive the

first vessel in April next year.

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Commenting on the expansion of the tea business, he said, "We will launch our premium team Typhoo initially in the northern region and later in other parts of the country." Typhoo, a 100-year-old iconic British brand, was acquired by the Apeejay Surendra Group in October 2005. This was India's

second-largest global FMCG acquisition and the seventh-biggest corporate buy by an Indian company till then. Further, the company has made a budgetary provision of Rs 5 crore for advertisement and marketing.

The market size for premium tea is about Rs 80 crore and is growing at 40-50 per cent.

The retail arm of the group, Apeejay Oxford Bookstore, plans to set up 100 Oxford Bookstores across India by 2010; at present it has about 25. Besides, the group is planning to set up a five-star hotel in Chandigarh.

On being asked whether the group has plans to list any of the companies on Indian exchanges, Paul said, "We don't have any plans till 2010."