

# Co To Bring UK Brand To India, Hike Production Apeejay Tea eyes Rs 225 cr turnover by '11



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— Deepak Atal

Our Bureau

KOLKATA

THE Apeejay Tea Group (ATG) has drawn up ambitious business plans to achieve a Rs 225-crore turnover by 2010-11. To achieve this, the group plans to introduce UK's third-largest tea brand Typhoo in India by 2007-08 and increase its own tea production to 23 million kg from 19.5 million kg by 2010.

Incidentally, Apeejay Tea Group, which comprises Apeejay Tea Ltd and Empire & Singlo Tea Ltd, had acquired the Typhoo, London Fruit & Herb, Lift and other associated brands from Premium Foods plc in 2005 at about £80 million.

The group also has plans to strengthen its own brands, Mantra and Mahamantra, in the Indian market. Mahamantra, a 5-kg pack, has been launched recently in the states of Rajasthan, Punjab and Haryana.

"Apeejay Surrendra will celebrate its centenary in 2010-11. To mark that occasion, ATG has drawn up growth plans for itself. At present, the tea group has a turnover of Rs 175 crore and we have kept an internal target of Rs 225 crore turnover by 2010-11," said Deepak Atal, managing director of Apeejay Tea Group, at a news conference on Monday.

Mr Atal said the Typhoo management is now busy trying to chart out its global growth plans. "Entering India is obviously high on its agenda. Typhoo will not only introduce its tea bags in India, but may also market its wide range of speciality teas like Typhoo Fruit & Herb, Typhoo Green Tea and Typhoo QT instant white tea," he added.

Along with its plans to increase its presence in the branded tea business, ATG has launched a massive replantation and uprooting programme at its 17 gardens located in Upper Asom. The group has also undertaken modernisation of its 14 tea processing factories.

"The cost of this massive replantation and modernisation programme will be met through internal accruals and short-term loans," Ashok Kumar Bhargava, executive director of ATG, said. The group has performed better in 2006-07 as its tea has fetched better prices.

"The average price realised mid-September 2006 is Rs 85 per kg, which is an increase of Rs 10 per kg over last year," he added.

The company, which lost the race for Doom Dooma tea estates, is open to the idea of acquisition of tea estates in Asom as well as in Kenya. "We do get proposals from different countries. If the proposal is good, then we can only consider it," Mr Atal said.

ATG supplies tea to Tetley, Typhoo, Harrods, Ringtons and Tazo, an arm of Starbucks. Its orthodox teas are sold in Germany. The total exports of the group is four million kg.