

# Keventer plans to raise ₹700 cr

Manadala Capital may exit; dairy, banana plantation to be expanded

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Kolkata-based Keventer Agro, one of the largest food and agriculture companies from eastern India, has begun talks for a fresh round of funding, said sources.

The company is eyeing \$100 million (or ₹700 crore) for its expansion plans in dairy and banana plantations. While talks are at a preliminary stage, it may lead to the exit of Mandala Capital, its current investor, paving the way for a new strategic partner, sources added.

In response to a mail, a company spokesperson said, "Keventer Agro is one of the fastest growing food and beverage companies from East India and as part of our expansion strategy we look at funding opportunities on an ongoing basis. While Mandala Capital is a valued shareholder of Keventer Agro, we would not be in a position to comment on what their plans are."

In an email, Mandala Capital's managing partner Uday Garg confirmed that Keventer Agro had engaged Avendus Capital to look for fresh funds. The fund raising, he said, was for the company's expansion plans. He declined, however, to get into deal specifics.

A specialist in the food and agriculture space, Mandala had bought close to 15 per cent in Keventer Agro

for \$25 million (or ₹170 crore) in an all-cash deal in 2017. The deal had pegged Keventer Agro's enterprise value at \$180 million (or ₹1,100 crore) and was one of the biggest private equity investments in the dairy space in eastern India back then.

"Mandala may exit in all likelihood, leading to the entry of another investor which will buy out its stake and pump in more money into the company," said an official privy to discussions in the matter. "The second, less likely possibility, is that Mandala will remain invested and another player will come in," he added.

The ₹1-trillion organised dairy market in India is clocking a compounded annual growth rate of around 15 per cent, said analysts, and attracting interest

from several multinational and domestic players including ITC, Britannia, Future Group and Lactalis.

Leaders in the space include cooperatives such as Amul and Mother Dairy, with companies such as Nestle largely operating in the value-added dairy space. Keventer Agro, which closed FY19 with a turnover of ₹870 crore, has invested nearly ₹200 crore

in the last one year to expand its milk and banana businesses in eastern and northern India. It is looking to touch ₹7,000 crore in the next eight years on the back of categories such as dairy and food processing, chairman and Managing Director Mayank Jalan said.

The firm, part of the Kolkata-based Keventer group, is open to acquisitions in dairy and food processing, he added.

Besides dairy and banana plantations, Keventer Agro is also a franchisee in the east for Parle Agro, the maker of Frooti, Appy and Bailey packaged wares.



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