

Apeejay in logistics funds drive

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Calcutta: Apeejay Real Estate, which owns and manages warehouses, office space and retail assets across the country, is looking to raise between Rs 400 crore and Rs 500 crore to grow its logistic park business.

The company is in talks with three potential investors to raise the money which would primarily be deployed to buy land for warehouses.

The fund would be taken at a platform level for the logistic park business, indicating that the outside investor would get slices of all the assets that are put on the platform.

The investment is likely to give the new investor about 35-40 per cent stake in the platform. Apeejay has appointed Ambit Capital as an advisor.

Shouvik Mandal, CEO of Apeejay Real Estate, said the plan is to grow the warehouse business to 10 million square feet from 3 million square feet over the next 3-5 years.

“The promoters have in-

BIG PLANS

- Targets Rs 400-500cr for logistics parks
- Funds sought at platform level. Multiple logistics assets on platform
- Investor to take 35-40% in platform

vested about Rs 500 crore in the business already. But to take it to the next level which we are aiming for, there is a need to raise equity from outside as buying land with debt is not allowed,” Mandal explained.

The company is looking for land in places such as Dankuni, Manesar, Ghaziabad and Palwal.

It has identified plots in some of the locations but the transaction would take place after it raises money from the investor.

At present, Apeejay operates logistic parks in four

locations — Haldia, Kalinganagar, Hyde Road in Calcutta and Ballabgarh near NCR. There is scope to expand in the existing locations as well in keeping with market requirements. There are both covered warehouses and open space in the logistic parks.

While warehouse and logistic park are in focus, Apeejay Group is exploring opportunities within many parts of the logistic value chain.

Earlier this year, it won the contract, in partnership with a Nepalese company, to operate Birgunj integrated check post at the India-Nepal border.

The terminal consisting of a dry port, integrated check post and container freight station would act as an enabler to the burgeoning India-Nepal trade.

Apeejay is also exploring bids to develop a multi-modal logistic park near Calcutta Dock System. Shyama Prasad Mookherjee Port, Calcutta has invited bids to lease out 59 acre lands for 30 years for a MMLP.

The logistics business fits into Apeejay Group’s business portfolio which also includes shipping.

Apeejay Shipping is the third-largest Indian shipping company with a fleet of 10 ships. It recently completed 75 years of operation. The shipping business also has plans to add more to the fleet and reach a DWT of 1 million tonne, up by 50 per cent from the present level.

Shared office space

Apeejay Real Estate operates shared office space under Apeejay Business Centre (ABC) brand name from Calcutta, Mumbai, NCR and Hyderabad. The company is managing 2,000 seats at present, mostly operating from real estate the promoters, the Paul family, own. Mandal said the target is to reach about 6,000 seats over the next three years. “We will be able to expand with the resources generated internally,” the CEO, who is a veteran in the group, added.