

Casagrand Distripark in talks to raise Rs500 crore

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MUMBAI

Warehousing firm Casagrand Distripark Pvt. Ltd (CGD), a developer and operator of industrial and warehousing parks, has initiated talks with private equity and infrastructure investors to raise around Rs500 crore, said two people aware of the development.

"The company has appointed investment bank Aventus Capital to help it raise around Rs450-500 crore. They have recently launched the fundraising process and are talking to various private equity and infrastructure funds. It is one of the largest warehousing assets available in the market right now for investors," said one of the people cited above, requesting anonymity as he is not authorized to speak to reporters.

Casagrand Distripark currently owns warehousing space, developed and under-developed, of around 1.5 million sq. ft., he added.

"The capital will help the company develop a pan-India network of industrial and warehousing parks," he said.

Currently the company's warehousing facilities are located in the industrial zone of Sriperumbudur, near Chennai.

"As a matter of policy, we do not comment on transactions—whether ours or those in the market," said a spokesperson for Aventus Capital in an emailed response to queries.

Emails sent to Casagrand Distripark did not elicit any response.

The warehousing space has in the last couple of years seen several investments with funds such as CPPIB and Warburg Pincus partnering with developers to create large platforms.

In May, IndoSpace and Canadian pension fund CPPIB created a joint venture, IndoSpace Core, to acquire and develop modern logistics facilities in India.

CPPIB has made a significant commitment of around \$1 billion towards IndoSpace's assets.

Currently, IndoSpace's portfolio includes around 28 logistics and industrial parks across the country.

In October, logistics investment and development firm LOGOS India said that it has raised \$400 million from Ivanhoe Cambridge and Vancouver-based QuadReal Property Group.

LOGOS India seeks to develop and own modern logistics facilities across major cities such as Mumbai, Pune, Chennai, the National Capital Region (NCR), Bengaluru, Hyderabad and Ahmedabad.

In June, Singapore-based Ascendas-Singbridge Group announced a joint venture with Firstspace Realty to enter the Indian industrial logistics and warehousing market. They jointly aim to invest \$600 million over the next five to six years and develop around 15 million sq. ft of space.

In April, Embassy Industrial Parks, a joint venture (JV) between real estate developer Embassy Group and private equity firm Warburg Pincus India Ltd, bought 24 acres in Gurugram, Haryana, to build an industrial and warehousing hub at a cost of Rs140 crore, *Mint* reported.

The size of the logistics sector in India is estimated to be \$260 billion currently, according to advisory firm IMAP India.

Unlike global trends, the logistics sector in India has been growing at a healthy rate of 14% over the past five years on strong demand drivers and the sector has evolved from mere transportation services to fully integrated service providers over the last two decades, said IMAP's industry report, titled *Logistics India 2017*.

