

TCIL to invest Rs 200 cr in warehousing

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MUMBAI: In view of the opportunities created by the growth in retail and agriculture sectors, Transport Corporation of India is planning to expand its warehousing capacity by investing Rs 200 crore.

The Gurgaon-based company is acquiring land to construct warehouses throughout the country.

At present TCIL manages 7.5 mn sq ft of warehousing space in the country. New warehouses are likely to be started at Chennai, Mumbai, Nagpur, New Delhi and Pune.

The Indian warehousing market, estimated at about \$890.3 million (about Rs3,800 crore) in 2005, is expected to grow to about \$3.6 billion in 2012. The logistics sector, estimated at \$130 billion now, is expected to be worth \$220 billion then.

The boom in manufacturing sector, increased domestic spending will boost the prospects of domestic logistics sector.

The company is expecting 30-40% growth from its logistics business, including warehousing and road transport. Among its clients include Hero Honda, Tata Group and some new companies in retail and cold chain business.

TCIL owns five cargo ships but has no plan to enter into container train transportation business. Instead, it intends to tie up with the Indian railways and its subsidiaries for cargo movement.

Last September, Fidelity Investments International, an international fund manager, purchased around 10% equity in TCIL for Rs52 crore.