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Institutional investors up stake in logistics firms in March quarter

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Companies such as Gati, Snowman Logistics, Transport Corporation of India and Container Corporation have seen institutional investors' interest rising during the recent quarter.

PSU major Container Corporation and 2014-listed Snowman Logistics were the most favourite counters of FIIs, as they hiked their holding 1.27 and 1.19 percentage points respectively.

On the other hand, Transport Corporation of India saw big interest from domestic institutional investors, who raised their holding from 0.79 per cent to 4.41 per cent. However, Blue Dart Express witnessed slight waning

Attracting FIIs	(% stake)	
	Jan-March 2015	Oct-Dec 2014
Gati	9.33	8.58
Snowman Logistics	2.75	1.56
Patel Integrated	0	0
Concor	26.30	25.03
Transport Corpn	2.50	2.29
Blue Dart Express	7.61	7.85
Balmer Lawrie	3.40	3.20
Arshiya International	1.73	1.73

Source: BSE

of domestic and FII interest. FII holding declined to 7.61 per cent (7.85 per cent), while domestic funds cut their stake to 5.68 per cent (5.74 per cent).

Snowman Logistics also saw

profit-booking from domestic institutions. Their holding reduced significantly to 3.95 per cent at the end of March 2015, from the December-end figure of 8.36 per cent. Patel Integrated Logistics did not see any institutional interest in January-March quarter.

According to analysts, the logistics sector will immensely benefit from the burgeoning modern business requirements. The impending Goods & Services Tax Bill in Parliament, once cleared, would drive the next leg of growth for the sector on the whole, they said. Analysts also said growth revival in the economy will boost the fundamentals of these companies.

In a recent interview to *BusinessLine*, Ajay Mittal, CMD of Arshiya International, said the logistics sector in India has grown over the years from running a few trucks, or loading and unloading of goods. "With the changing business environment in India, the entry of organised retail and more global players looking to expand base in the country, the logistics industry is witnessing a sea change," he added.

One analyst with a domestic brokerage who did not wish to be named said he expects consolidation and de-merger to take place in the logistics space going forward, which will unlock value for shareholders.