



SEARCH

PE-backed Indian warehousing company seeks capital

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Sohan Lal Commodity Management, a private equity-backed agri-logistics company specialising in the provision of warehousing and storage facilities in India, is looking to raise fresh capital from investors.

According to a company spokeswoman, Sohan Lal is currently exploring a variety of funding options to raise money to fund its growth. A report in India's Mint newspaper quoted sources as saying the company intends to raise Rs1 billion (\$16 million; €14 million), however this was not confirmed by the company.

Sohan Lal made a foray into the Myanmar market in April 2014 and it plans to explore the African market in the near future, the spokeswoman said. Sohan Lal also introduced its own non-banking financial company (NBFC) last year and that has already disbursed agricultural loans of more than Rs1.3 billion. The company intends to grow this in the coming years, she added.

Currently backed by four private equity firms, Sohan Lal is no stranger to a private equity infusion. The company first received private equity funding from Nexus Venture Partners in 2010; followed by Mayfield Fund the next year; and with Everstone and ICICI Venture coming in as investors in November 2012.

In recent years, the company has diversified its services to include warehouse management, agriculture financing, collateral management and procurement. The company has grown rapidly, according to the spokeswoman, and currently has a network of 710 warehouses.

Warehousing companies in India are fairly bullish about their prospects, owing to a combination of a paucity of effective storage and warehousing facilities in India and ever-increasing demand for agricultural produce. This is resulting in their tapping of various funding sources.

According to reports, Rabo Equity Advisors-backed National Collateral Management Services (NCMS), which provides commodity and risk management services in India, is also looking to raise fresh capital to the tune of Rs2 billion. A source confirmed NCMS is in the market for capital, saying "NCMS is a professionally-run company and a great story, and it needs capital for the next phase of its growth". NCMS declined to comment.

Similarly, Temasek Holdings-backed StarAgri Warehousing and Collateral Management is in talks with various international private equity firms to raise funding for its new NBFC StarAgri Finance.