

DTDC plans to raise over \$70 million

Plans more e-fulfilment centres

Benny Antony

MUMBAI: Homegrown logistics major DTDC is planning to raise \$70-80 million over the next one year to fund its expansion and investment plans.

"In terms of funds, we are covered for 12-15 months currently. Our plan is to raise \$70-80 million over the next 12-15 months through external resources," DTDC Executive Director Abhishek Chakraborty told *DH*.

"We have not yet finalised the route for fund-raising, but



CHAKRABORTY: We are halfway through the planning and designing phase for Goods and Services Tax compliance

all options are open including debt, initial public offering (IPO) or private equity," Chakraborty said. The proceeds will be invested for technology, infrastructure, including improvement in quality of hubs, assets and hardware, and also on human resources.

Currently, promoters hold 53% in the Bengaluru-headquartered company, while Europe's DPD Group owns 42%. Even as the company prepares

for fund-raising, DTDC will ensure that the promoters own a majority shareholding in the company, even post the fund raising.

According to Chakraborty, the company is preparing itself for the onset of the Goods and Services Tax (GST), and sees huge upside from the implementation of the tax reform. DTDC is also planning to increase its e-fulfillment centres across the country.

"We are halfway through the planning and designing phase for GST compliance. The company will be ready to serve GST-compliant products in the April-June quarter, this year," Chakraborty said.

"We will also be investing to become capable to suggest solutions to clients to reduce their overall costs," Chakraborty said. The company is looking at setting up a couple of additional e-fulfillment centres across the country over the next one year, besides looking to increase the capacity utilisation of these centres to 50-60%, he added.

DTDC has invested Rs 5.5 crore in e-fulfillment centres this year, and their capacity utilisation currently stands at around 15-20%.

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