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Future Group's realty arm plans to set up logistics parks

MUMBAI: Future Group's real estate arm Future Market Networks is planning to set up eight infra-logistics parks with up to 2 million sq ft of space in each over the next three years.

The listed company, which has been carved out of Pantaloon Retail India, has entered into an equal joint venture with IL&FS and will spend over 1,200 crore on setting up such parks in Mumbai, Pune, the national capital region, Chennai, Bangalore, Kolkata, Vapi and Baddi.

Future Market Networks, earlier called Agre Developers, is acquiring 100 acres in Khopoli near Mumbai. It had earlier acquired 113 acres in Kolkata and 50 acres each at Ghaziabad and Jhajjar in Haryana.

"Each of our infra-logistic parks will be spread over 50-100 acres within a 20-30-km radius of these cities. For some land parcels, we have already entered into agreements, while others are on the verge of being acquired," said Sumit Dabriwala, MD of Future Market Networks.

The promoter of Future Group, Kishore Biyani, holds 68% in Future Market Networks, while the rest is held by the public. Future Group's logistics company Future Supply Chain will be the anchor tenant at all of these parks, while rest of the space will be targeted at third-party companies involved in fast moving consumer goods and logistics businesses.

The investment of 1,200 crore will be funded through a mix of equity and mezzanine finance, he said.

The Future Group is in the process of 18 divestment and fund-raising transactions to lower its debt. However, construction debt to be raised by Future Market Networks will not be added to the parent company's burden as its own net debt-equity ratio currently stands at 0.3, he said.

Future Market Networks also hopes to raise around 350 crore in the next three months by selling spaces at one of its malls, which is being retrofitted at the moment. Dabriwala, however, declined to comment on location of this mall.