

06 June, 2011

## Future Group strikes a deal with Sattva Group to build a wholesale trading market

MUMBAI: Agre Developers, a Future Group company, formerly known as Future Mall Management, has struck a deal with Bangalore-based developer the Sattva Group to build a wholesale trading market on the lines of Dubai's Dragon Mart and China's Yiwu wholesale market. This is the first of the eight business-to-business (B2B) markets that the company is planning to start across major cities in the course of the next few years. These trading hubs will stock general merchandise, IT peripherals, hardware products along with other commodities typically spread across a 5-10 acre space. The BSE-listed company will also be getting into the infra-logistics and retail infrastructure business.

Kishore Biyani had merged his real-estate business with Kolkata-based developer Sumit Dabriwala into Agre Developers to strengthen the retail major's foothold in the realty space. The retail-to-financial services group runs stores like Big Bazaar and Food Bazaar.

Sumit Dabriwala, MD, Agre Developers, told TOI that the strategy for the company going forward will be to tie-up with strategic partners to facilitate the opening of these trading hubs and also to build infra-logistics across the country. Agre Developers will work in tandem with Future Supply Chain, the logistics and supply chain vertical of the group, on the infra-logistics business.

"Even as the demand of logistics in the country expands, supply of good quality logistics infrastructure is extremely low. This is where we will work with Future Supply Chain and also with other logistics companies," Dabriwala said.

The company will look to plough about Rs 500 crore of equity across the three formats and is evaluating the possibility of inviting strategic partners into each of these businesses. The total outlay on the three business verticals will be around Rs.3500 crore over the next five years, said Dabriwala.

"While the wholesale trading and the infra-logistics business will be in partnership with another entity, the retail infrastructure vertical of the company will be operated independently.

"On the retail infrastructure side, the mandate is to play a bigger role which will start right from spotting the location of the mall to designing the mall, determining the tenant mix, sub-leasing the mall and managing it over the life cycle of the transaction," Dabriwala pointed out. The company has contracted about two million square feet of rental infrastructure space spread across the country and will focus on expanding this portfolio over the next few months