

31 Dec, 2010

The company is in the process of stabilising its independent operations: Sumit Dabriwala, Agre Developers Limited

Sumit Dabriwala, CEO, Agre Developers Limited, in a chat with ET Now talks about the company its Q2 numbers and the business lines it's trying to include.

Talking about your Q2 numbers, you have reported a turnover of about 45 crore but PAT of only 25 lakhs. Can you elaborate?

The company is in the process of stabilising its independent operations. So do not look at those numbers as representative of the way in which the company will perform going forward in the next few months.

Could you give us an indication of the shareholding pattern of this new company?

The shareholding pattern of the new company is essentially a mirror of the shareholding pattern of Pantaloon India Retail India Ltd. because this company is essentially a mirror structure pursuant to a demerger process.

How does the existing shareholder of Pantaloon Retail really derive the fair value for Agre? Based on what model do you think we can arrive at the right valuations?

One would have to look at the aspirations of this company as a standalone entity. As long as these assets and these businesses sat in the books of Pantaloon Retail India Ltd - because they were such a small piece of the overall book of Pantaloon Retail - these businesses didn't receive any valuations or any cognizance. As a standalone entity, we hope and we expect that these businesses will be able to demonstrate their true potential and therefore, will be able to demonstrate their true values.

What about margins? Could you give us a break up of your four segments?

It is more than margins. If we take the clothing management business, one of the unique values that is embedded in the business is the fact that there is a capability to be able to very successfully execute projects across locations in the country. This is something that other developers have struggled to do, their performance or their capabilities have been patchy across geographies. Here is a project that has very successfully been able to deliver significant fit out formats across in excess of 70 locations in the country.

When the future group decided to demerge their mall management business, what was the internal numbers in terms of valuations and price per share?

It was a demerger process; there was no need to be able to determine a price per share because the same shareholders were given shares of the demerged company. So there was no need or no statutory requirement to be able to determine a price per share.

How much of your existing business is coming from Pantaloon Retail and how much of existing business is coming from non-future group operations?

This piece has completely demerged from Pantaloon Retail India Ltd. So the entire business is actually carved out from the balance sheet of Pantaloon Retail India Ltd.

Would you be now getting contracts which are from non-future group as well?

We have very recently amended our Memorandum of Association in order to be able to include real estate development as a line of business in the company. We are looking to add two business lines very quickly. One is the construction and development of wholesale markets across the country. We believe that just as Indian retail transformed itself in the last 10-12 years with the advent of organised retail, there is an opportunity to be able to do the same with the business of wholesale markets in this country. So we very quickly intend to develop 6 or 7 wholesale markets in big cities in the country.

Secondly, we want to look at infralogistics as a business. Future supply chains is a dominant infralogistics or a logistics player in India and in collaboration and partnership with them, we are looking at the possibility of developing infralogistics parks.