

Future Supply Buys Transmart's Warehousing Biz

SAGAR MALVIYA

MUMBAI

Future Supply Chains Solutions, the logistics and supply chain arm of Kishore Biyani's Future Group, has bought the warehousing business of Transmart India, including a 2,00,000-sq ft distribution centre on the outskirts of Mumbai and more than a dozen clients, for an undisclosed amount.

"It's a game changer for us in the contract division as we will now have the best warehousing facility in western India, which is a scarce commodity," said Anshuman Singh, MD and CEO of Future Supply Chains, which has over 350 customers across sectors. He said the firm will now have readymade infrastructure than can handle goods worth ₹1,500 crore each.

Transmart has assets worth \$6 million and clients including Johnson & Johnson and Amway, among others.

The acquisition comes at a time when the government has held back its decision to allow foreign direct investment (FDI) in retail, which had several riders including that at least 50% of the total foreign inflow be invested in back-end infrastructure.

"Irrespective of FDI, retail logistics is a very strong sector and nowhere in the world does a retailer handles its own supply chain completely," said Amitabh Mall, director at Boston Consulting Group, which estimates the size of India's organised retail market at \$28 billion and expects it to grow nine times to \$260 billion in 10 years. Future Supply Chains currently has a warehousing storage space of 5 million sq ft with an additional 9 million sq ft being planned by 2014. In 2009, Hong Kong-based supply chain firm Li & Fung Group had bought a 26% stake in the company for \$30 million.

