



Published Date: 26 Nov 2014

Future Supply readies pan-India play

Go to invest `300 crore annually till 2016 to scale up infrastructure and last-mile connectivity

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Kolkata: Future Supply Chain Solutions (FSCL), the logistics and supply chain vertical of Future group, said it would invest Rs 300 crore every year to scale up its infrastructure and aims to complete its pan-India reach by 2016 by executing its 9/11 strategy of having major logistics hubs in 9 cities and 11 sub-centres in 11 other locations. It has also started catering to last mile connectivity to e-commerce service providers.

“The infrastructure that we are creating is scalable. We currently have 4.5 million square feet of warehousing area and every year we would be adding 1.5-2 million sq ft. The investment expected will be around Rs 150 crore for every 1 million sq ft and this would come not only from us but from the eco-system that includes partners like the landowners and the builders,” Anshuman Singh, managing director and chief executive officer of Future Supply Chain Solutions said.

Future Supply Chain is a subsidiary of Kishore Biyani-led listed entity Future Retail, which holds a little over 70% stake in the company that was promoted in a JV with Fung Capital.

Set up in 2007 to provide back-end services to Future Group’s retail front end like BigBazaar and Pantaloons, FSCL has since started providing logistics services to third party companies such as automotive spare parts, all large FMCG players, electronics and also ATM makers, pharma, light engineering and lifestyle retailing and home furnishing.

E-commerce, still a small portion of the overall services, is fast emerging as a key focus area. While the company has already started catering to e-commerce companies, focus now is creating the last mile connectivity.

“E-commerce fulfillment from warehousing and distribution side is already being catered to. Now we are putting a lot of technology and automation and extending our last mile connectivity which would be put in place in the next six months,” Singh told dna on the sidelines of a conference on logistics organised by industry body CII.

For traditional customers, efforts are on to complete its pan-India logistics infrastructure, referred to by the nomenclature 9/11, which is expected to get completed by 2016 that will help user companies reap the benefit under the Goods and Services Tax (GST) regime once it get operationalised.

“We are building the 9/11 infrastructure in which we will have 9 large logistics park in 9 cities and mid-sized facilities in 11 other cities. These 20 logistics centres, each ranging from half a million square feet to 3 million square feet, would take care of logistics requirement of all of our customers. The entire thing would come up in 2016. In fact, we had slowed down the pace and the project was supposed to come up a year

back.”

The ballpark investment is Rs 2,000 in every square foot of infrastructure, which translates into Rs 150-200 crore of investments annually, Singh said adding that there aren't any issues with getting funds. FSCL is getting a lot of interest from foreign companies, many of whom are keen to partner or doing business. “Overseas players are either eager to do business with us or want to understand the GST scenario and how they can partner with us,” Singh said.

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