



An Integrated Supply Chain
& Logistics Infrastructure
Company

May 2017

Free Trade Warehousing Zone | Rail & Rail Infrastructure | Inland Container Depot | Transport & Handling | Domestic Warehousing

Corporate Information



Fully integrated facilities are strategically located at Western India and Northern India

- ❑ Established in 2010 and listed on BSE
- ❑ Pioneer in the development of Free Trade Warehousing Zones (FTWZs) in India
- ❑ Only Free Trade Zone developer operating two FTWZs
- ❑ Largest private container train operator with a Pan Indian Presence
- ❑ Owns the only Private Inland Container Depot (ICD) with the largest number of rail sidings
- ❑ Over 325 Logistics specialist staff and +500 Contracted Support

FTWZ : Value Propositions



Arshiya's FTWZs provide unparalleled advantages for all logistics operations

Duty deferment benefits: free up working capital, reduction of buffer stocks, initiate volume discount and ensure higher inventory visibility

Exemption of stamp duty on imported containers – 0.1 % of assessable value (limited to FTWZ in West India)

For International customers, availability of their stocks for Indian Sub-con /South East Asia

8000-plus container stocking capacity facilitated by a six-level container storage

Foreign entities can start their EXIM business in India within one day just by registering at FTWZ

Excellent security solutions, including CCTVs, guards, dogs, and IP-based global access control systems

Marketability of products in the domestic tariff area market

Flexibility of paying charges in USD or other freely convertible currency by customers

Exemption of Service Tax & VAT on services rendered inside FTWZ Premises – 15% (on Handling & Storage)

24/7 customs clearance facilitates

Arshiya Group Overview



West India, Near Mumbai - FTWZ

- Pioneer in the development of FTWZ in India
- Strategically located near JNPT which caters to India's largest container traffic
- Ease of doing operations, customs, bank, and all support infrastructure under one roof
- Mega trading hub with substantial fiscal benefits

North India, Near Delhi - FTWZ, ICD & Rail Terminal

- India's first multi-modal logistics park, spread across ~ 300 acres
- Strategically located near the confluence of Eastern and Western Freight corridors
- FTWZ with most modern, well equipped warehouses providing substantial fiscal benefits
- Rail linked ICD along with domestic warehousing facilities
- Largest Private Freight Rail Terminal (PFT) provides access for Indian Railways Rakes/ Wagons to carry bulk cargo

Pan India – Rail Rolling Stock

- Amongst largest Private Container Train Operators (PCTO's) providing rail freight services Pan- India
- Train services to major gateway ports such as JNPT, Mundra and Pipavav
- Own 18 rakes, ~3000 containers
- Large infrastructure with ~9.10km rail siding, six rail lines, well equipped rail terminal
- Both dry and reefer cargo movements

India's foremost integrated supply chain and logistic infrastructure solutions provider

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Financials FY 2017



Arshiya Limited – Standalone (INR- Crore)

Particulars	FY 15-16	FY 16-17	YoY
Sales	64.77	76.02	17.37%
EBIDTA	26.88	47.29	75.93%
<i>EBIDTA Margin</i>	<i>41.50%</i>	<i>62.21%</i>	<i>49.90%</i>
Finance Cost	175.96	123.14	(30%)
Depreciation	23.87	18.58	(22%)
Profit Before Tax	(275.95)	(105.35)	62%
Profit After Tax	(278.39)	(105.35)	62%

Arshiya Limited – Standalone FY 2017

- In FY 2017, Sales increased by Rs.11.25 crore to Rs.76 crore as compared to Rs.64.7 crore in previous year **increase by 17.4%**
- The EBIDTA increased to Rs.47.3 crore as compared to Rs.26.88 crore in previous year, i.e., **increase by 76%**
- Finance Cost for the year **reduced by 30%** from Rs.175.96 crore to Rs.123.14 crore, the same to further reduce in view of debt restructuring
- The PAT stands at Rs.(105.35) crore as against Rs.(278.39) crore, i.e. **reduction in loss by 62.16%**

Financials FY 2017 Consolidated



Arshiya Limited – Consolidated (INR- Crore)

Particulars	FY 15-16	FY 16-17	YoY
Gross Sales	310.40	269.39	(13%)
EBIDTA	56.28	42.66	(24%)
<i>EBIDTA Margin</i>	<i>18.13%</i>	<i>15.84%</i>	<i>(13%)</i>
Finance Cost	342.22	291.45	(15%)
Depreciation	91.60	86.43	(5.64%)
Profit Before Tax	(600.55)	(392.64)	35%
Profit After Tax	(603.75)	(392.67)	35%

Arshiya Limited – Consolidated FY 2017

- The Gross Revenue reduced by Rs.41 crore majorly due to overall commodity production slowdown affecting rail operations
- The EBIDTA reduced by Rs. 13.6 crore due to lower than envisaged rail and ICD operations
- Finance Cost for the year reduced by 50.8 crore which may further reduce in view of on-going debt restructuring
- The PAT stands at Rs.(392.7) crore as against Rs.(603.8) crore, i.e., reduction in loss by 35%

Panvel Operations – EBIDTA (Arshiya Limited & Arshiya Supply Chain Management Pvt. Ltd.)

(INR-Crore)					
Particulars	Q1-FY17	Q2-FY17	Q3-FY17	Q4-FY17	FY 16-17
INCOME					
Income from operations	26.08	26.71	27.44	29.12	109.35
Other income	0.81	-0.23	0.83	-0.69	0.72
Total Income	26.89	26.49	28.27	28.42	110.07
EXPENDITURE					
Cost of operations	3.37	4.11	4.60	4.75	16.83
Employees' remuneration	2.97	2.85	2.58	2.37	10.77
Other administrative expenses	1.97	2.25	2.12	2.14	8.49
Total Panvel Expenses	8.31	9.21	9.31	9.26	36.09
EBIDTA before allocable Corporate Expenses	18.58	17.28	18.96	19.16	73.98
Corporate Expenses					
Employees' remuneration	1.07	1.10	1.28	1.46	4.90
Administrative expenses	1.25	1.05	1.02	0.98	4.30
Allocable Total Corporate Expenses	2.32	2.15	2.30	2.44	9.20
EBIDTA	16.25	15.13	16.67	16.72	64.77

Group Revival Strategy



DEBT RESTRUCTURING

- Right sizing of debt at sustainable level

MONETIZATION OF ASSETS

- Monetizing of existing functional and operational warehouses for debt reduction and value enhancement for the stakeholders

FUNDS INFUSION BY PROMOTERS

- Promoters to infuse additional funds in the form of equity / quasi equity as part of the revival strategy

INDUCTION OF STRATEGIC PARTNER

- Partner with Global funds for infusion for growth capital

GLOBAL TIE-UPS

- To enter into long term lease contracts with marquee Global clientele

Group Revival Strategy



DEBT RESTRUCTURING

Arshiya Limited and its subsidiaries have restructured portion of its debt with EARC.

The objective of the restructuring is to realign debt with focus to bring the overall debt to a sustainable level so that the company could achieve the true potential of Arshiya's assets.

- Arshiya Group has entered into a Restructuring Agreement (RA) with Edelweiss Asset Reconstruction Limited (EARC) for the debt it has acquired bringing down existing debt by approx 50%
- The debt so acquired by EARC has been restated as:
 - Debt of Rs.1,338 crore
 - Balance Debt of Rs.1,262 crore to be converted into Equity and Zero Coupon rate Optionally Convertible Redeemable Preference Shares (OCRPS).
- OCRPS, upon conversion into Equity Shares will further add to the Net Worth of the Group
- Company is working with other lenders for restructuring the balance debt

On Debt convertible into equity shares and 0% OCRPS, post compliances, the Net Worth of the Company to improve by Rs.1262 crore

Group Revival Strategy...contd



MONETIZATION OF ASSETS

From asset heavy business transiting to asset light model by monetizing few assets

- Arshiya Limited has signed term sheet for monetizing six warehouses (total 832,000 sq. ft.), at the Free Trade Warehousing Zone located at Panvel, near Mumbai, India
- The consideration, subject to due-diligence, comprises the upfront payment of INR 4.34 billion/ \$94.3 million and an additional deferred consideration of up to INR 1.0 billion/ S\$21.7 million to be paid over the next four years, linked to the achievement of certain performance milestones.
- The term sheet also envisages the financing of the future development on the available surplus land which has development potential of approx. 4 million sq.ft. within the existing notified area.

Monetization to support reduction of debt

Group Revival Strategy...contd



FUNDS INFUSION BY THE PROMOTERS	<ul style="list-style-type: none">- The Promoters of Arshiya to bring in minimum amount of Rs.70 to Rs.100 crore through subscription of Equity Shares/ Warrants on Preferential basis in compliance with SEBI (ICDR) Regulations
INDUCTION OF STRATEGIC PARTNER	<ul style="list-style-type: none">- The Group shall strive for partnering with Strategic Partners for its other operations with the objective to reduce debt, introduce growth capital and tap their international clientele
GLOBAL TIE-UPS	<ul style="list-style-type: none">- Group is in process of adding newer clients and has succeeded to commence operations for few large international clients

Way Forward

Arshiya

GST implementation, emergence of E-commerce retailer, large global retailers will drive growth of non-bulk traffic to support domestic logistics market

The Government of India taken various initiatives to provide much needed impetus to logistics market

The dedicated Freight/Industrial Corridors (DFC's), the North-West and North-East DFC's to be commenced by 2019

To strive to optimize the use of scalable space and unmatched infrastructure

Arshiya is poised to participate in the trade growth with its enhanced capacity of existing zones

Well-developed logistics ecosystem along with economy revival to support growth

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Forward Looking Cautionary Statement



There may be certain statements in this report related to our forward growth prospects, Government projects, regulatory and fiscal benefits which involves a number of risks, and uncertainties. The company do not undertake to keep all informed about the updates from time to time

Abbreviations



FTWZ	Free Trade & Warehousing Zone
VOS	Value Optimization Services
NILP	Northern India Logistics
ICD	Inland Container Depot
IDH	Industrial and Distribution Hub
PFT	Private Freight Terminal
QoQ	Quarter on Quarter
YoY	Year on Year
EXIM	Export and Imports
MoCI	Ministry of Commerce & Industry
IMC	Inter Ministerial Committee
EARC	Edelweiss Asset Reconstruction Company Limited
OCRPS	Optionally Convertible Redeemable Preference Shares
GST	Goods and Services Tax



Thank You

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