

03:59 PM 29 JUN CLOSED	सेन्सेक्स 35,423 ▲ 385.84	निफ्टी 50 10,714 ▲ 125.20	सोने (एमसीएक्स) (₹/१० ग्रॅम) 30,437.00 ▼ -71.00	यू.एस. डी.भारतीय... 68.47 ▼ -0.32	पोस्टफोनियो निर्माण करा	ई-टी मार्केट्स आप उतरवून घ्या	CHOOSE LANGUAGE MAR
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Arshiya sells 6 warehouses to Ascendas, leases them back

BY KAILASH BABAR, ET BUREAU | FEB 04, 2018, 11:28 PM IST

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MUMBAI: Moving towards an asset-light business model, logistics and supply chain company Arshiya has monetised its six warehouses in [Panvel](#) near Mumbai by selling them to [Ascendas](#) Property Fund (India) for Rs 534 crore and leasing them back.

[Ascendas India Trust](#) has acquired long-term leasehold rights in the warehouses spread over 800,000 sq ft and leased them to Arshiya Group's subsidiary Arshiya Lifestyle Ltd at preagreed rentals.

Arshiya Lifestyle would operate and manage the warehouses retaining the surplus income from rentals and value-added services post payment of pre-agreed rentals.

"This transaction will put Arshiya Group in a unique position to participate in scalable world-class warehouse construction and subsequent sale on a pan-India basis while retaining the 3PL (third-party logistics) management, thus implementing a solid Asset light model," Ajay Mittal, chairman at Arshiya Ltd. He said the warehousing space is expected to grow around 25% annually for next five years.



The additional warehousing space is expected to be built and monetised over next 4-5 years.

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Arshiya will utilise the funds to repay its debt. Out of the total consideration of .`534 crore, it received Rs 404 crore after deduction of security deposit of Rs 30 crore on Saturday. It will receive a deferred payment of Rs 100 crore over four years in equal instalments based on certain performance milestones.

The deal for these warehouses located in the [Free Trade and Warehousing Zone](#) (Arshiya FTWZ) has been concluded at price of around Rs 6,500 per sq ft. It also has additional development potential of 2.8 million sq ft and that will also be sold to Ascendas India Trust.

The additional warehousing space is expected to be built and monetised over next 4-5 years. Based on the current deal valuation, it is expected to fetch the company Rs 1,500-1,700 crore.

"While we are looking for more land parcels to build logistic parks, we'll continue to pursue the asset-light business model and monetise our Khurja facility as well in various stages in the near future," Mittal told ET.