

Arshiya Limited

Investment Teaser

October 2024



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Arshiya: Developer of an integrated FTWZ Facility spanning ~143 acres in Panvel

Business Overview

- Arshiya Limited (AL) is a unified supply chain and integrated logistics infrastructure solution provider.
- Incorporated in 1981 and based in Mumbai.
- Engaged in development, operation and maintenance of Free Trade and Warehousing Zone (FTWZ).
- Developer of Panvel FTWZ, which is spread across **~143 acres land** (113 acre freehold and 30 acre leased to CapitalLand India Trust (CLINT)).
- Also holds ownership of **~42.08 acres** of land in Khurja, Uttar Pradesh
- Panvel FTWZ is strategically situated in Panvel, a well-established warehousing hub near India's largest container port, Jawaharlal Nehru Port Trust (JNPT).

Key Details

- FTWZ Location: **Village Sai, Panvel, Raigad, Maharashtra**
- Total processing zone area: **~132 acres**
- 7 operational warehouses** (leased to CLINT for 30 years, which may be renewed at the sole option of lessee by 30 years each time) built on ~30 acres
- Balance area for future construction: **~71 acres**

- Total FTWZ plot area: **~143 acres** (113 acre freehold and 30 acre leased to CLINT)
- Land notified by MOC** in 2009/2010
- Operational warehouses (leased to CLINT) with leasable area: **~1.16 ml. sq. ft.**
- Key clients in leased warehouses: **DHL, Huawei, Borochemie, etc.**

Operating Model of FTWZ facility

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graph TD; AL[Arshiya Limited] --> W[Warehouses]; AL --> SY[Storage Yard*]; W --> F1[Fees]; W --> LR[Lease Rent]; SY --> F2[Fees]
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- CLINT acquired long-term leasehold rights for seven warehouses from AL and sub-leased them back to Arshiya Lifestyle Ltd. and Arshiya Panvel FTWZ Services Pvt. Ltd. (both wholly-owned subsidiaries of AL)
- Arshiya Panvel FTWZ Services and Arshiya Lifestyle were managing the warehouses and storage yard, paying AL 99% of the excess revenues as fees in accordance with the sub-lease and other relevant documents.
- Sub lease agreements for the warehouses terminated by CLINT w.e.f. 30th July 2024
- Key points w.r.t. overall structure are provided in the next slide

**Storage yard comprises of open yard and container yard*

Financial Overview

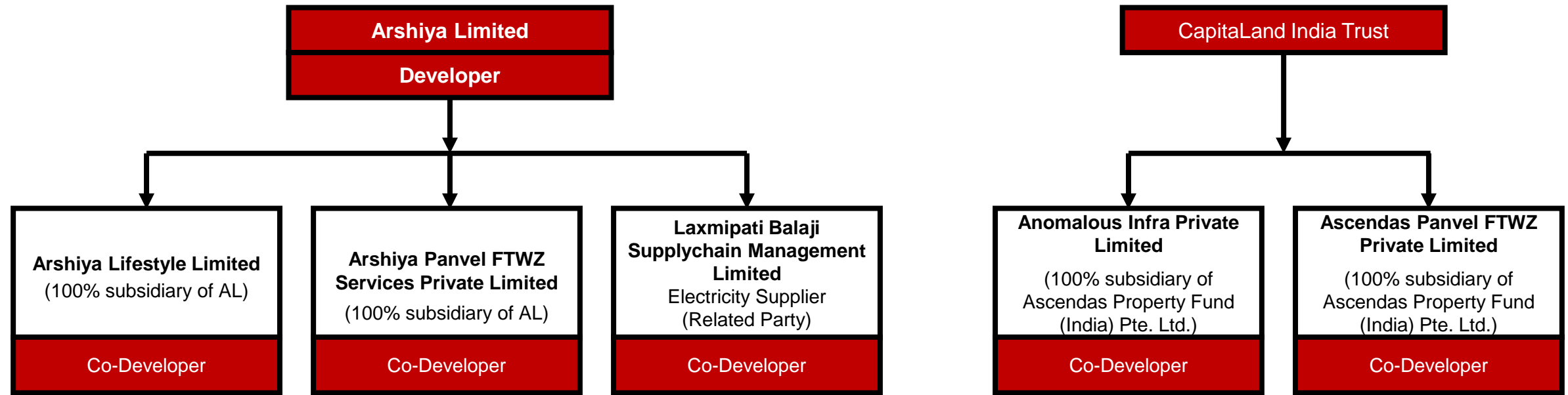
Standalone figures

In INR Crores

Particulars	FY19	FY20	FY21	FY22	FY23
Revenue from operations	131	239	67	62	26
EBITDA	99	173	61	26	(59)
Total Fixed Assets	748	717	700	622	516
Total Debt	696	637	498	599	600






A certain portion of land was reclassified from PPE to inventories for future development, and the company recognized revenue from long term lease agreements related to this development in FY19 and FY20. The parcel of land designated for the development of a data center had its lease subsequently revoked.

Snapshot of FTWZ Structure



- Each co-developer operates as an independent legal entity. The responsibilities and duties of both developers and co-developers are governed by the Special Economic Zone (SEZ) Act, 2005.
- Business models of the co-developers vary, as they lease space to unit holders for storage purposes.
- Master Lease Agreement (MLA) executed between Arshiya Ltd. ("**Lessor**") and Arshiya Rail Siding and Infrastructure Ltd. (renamed to Ascendas Panvel FTWZ Private Limited) ("**Co-Developers, Lessee**") on 3rd February 2018 ("**Lease Commence Date**") for leasing of 6 warehouses (WH 11, WH 12, WH 04, WH 08, WH 09 & CODC) for a period of 30 years w.e.f. Lease Commencement Date ("**Initial lease Term**").
- MLA executed between Arshiya Ltd. ("**Lessor**") and Anomalous Infra Private Ltd ("**Co-Developers, Lessee**") (100% subsidiary of Ascendas Property Fund (India) Pte. Ltd.) on 26th July 2019 ("**Lease Commencement Date**") for leasing of 1 warehouse (WH03) for a period of 30 years. *(We understand that, for the seventh warehouse (WH-03), only the land was leased to CLINT, and the construction of the warehouse itself was undertaken by CLINT)*
- Upon expiration of Initial Lease Term, this deed shall be renewed, at the sole option of the Lessee (Arshiya Rail Siding and Infrastructure Ltd/Anomalous Infra Private Ltd.) for a period of 30 years each time *(ie. at the end of expiry of each 30-year period so renewed)* ("**Renewed Term**") on the same terms and conditions as agreed under this Deed except that the upfront lease payment for each such Renewed Term shall be Rs. Fifty Lakhs payable by the Lessee to the Lessor at the beginning of each such Renewed Term and the annual rent for each such Renewed Term shall be Rs. 3 Lakhs p.a.
- It may be noted that CLINT has certain rights and interest to allied structures and parking in terms of the lease deeds as per the clause "*The Lessee desires to lease the property, along with exclusive rights to use the Heating, ventilation, and air conditioning (HVAC) Land and license the Parking Space during the lease term. The Lessee also gains non-exclusive easementary rights to access roads for entry and exit to the property, Additional Land, Parking Space, HVAC Land, and CAI Facilities, shared with the Lessor (Arshiya Ltd.)*."
- Ascendas Panvel FTWZ Private Limited and Anomalous Infra Private Limited have served the termination notice to Arshiya Lifestyle Limited ("ALL") and Arshiya Panvel FTWZ Services Private Limited ("APFSPL") respectively on 26th July 2024 for termination of the sub-lease agreements for the seven warehouses effective from 30th July 2024. *(There is a Writ Petition filed before Hon'ble Bombay High Court between the parties, where AL is a formal party and the issue is sub-judice. The matter is now listed on 15 October 2024.)*
- Non-storage activities authorized under operations such as renting to clients, transportation, value optimization services (VOS), and handling are allowed by both co-developers and unit holders.

Seven operational warehouses (leased to CLINT for 30 years, which may be renewed at the sole option of lessee by 30 years each time), spread across ~30 acres, serving several key clients in the logistics, pharma, and electronics sectors

Warehouse Features			
Warehouse	Area (in acres)	Super Built-Up Area (in square feet)	
WH-03	5.51	328,293	 7 warehouses have a combined total leasable area of ~1.16 million square feet.
WH-04	24.50	158,773	 Warehouses feature M35 grade, super-flat 250mm thick flooring and each warehouse has a height of ~13 meters.
WH-08		158,773	 Warehouses have advanced racking systems for palletized cargo up to G+6 levels , with a total racked capacity of around 60,000 units.
WH-09		158,773	
WH-11		90,722	
WH-12		144,306	 Facilities also have dedicated battery-operated forklifts, reach trucks, pallet trucks, and around 91 dock doors.
CODC*		121,205	 There are ~166 unit holders across all warehouses, with ~52 units currently working
Total	30.01	1,160,844	

CODC*: Covered over dimensional cargo warehouse

- Other Facilities
- Features a container yard with an approximate storage capacity of **6,000 containers.**
 - Facility has a customized gantry system that can plug in up to **84 refrigerated containers** at once, along with an over dimensional cargo yard equipped with cranes capable of handling **15 MT** and **30 MT loads.**
 - Offers other services including customized and hazardous cargo storage, temperature-controlled rooms, etc.

Key clients in warehouses (leased to CLINT), utilizing storage facilities



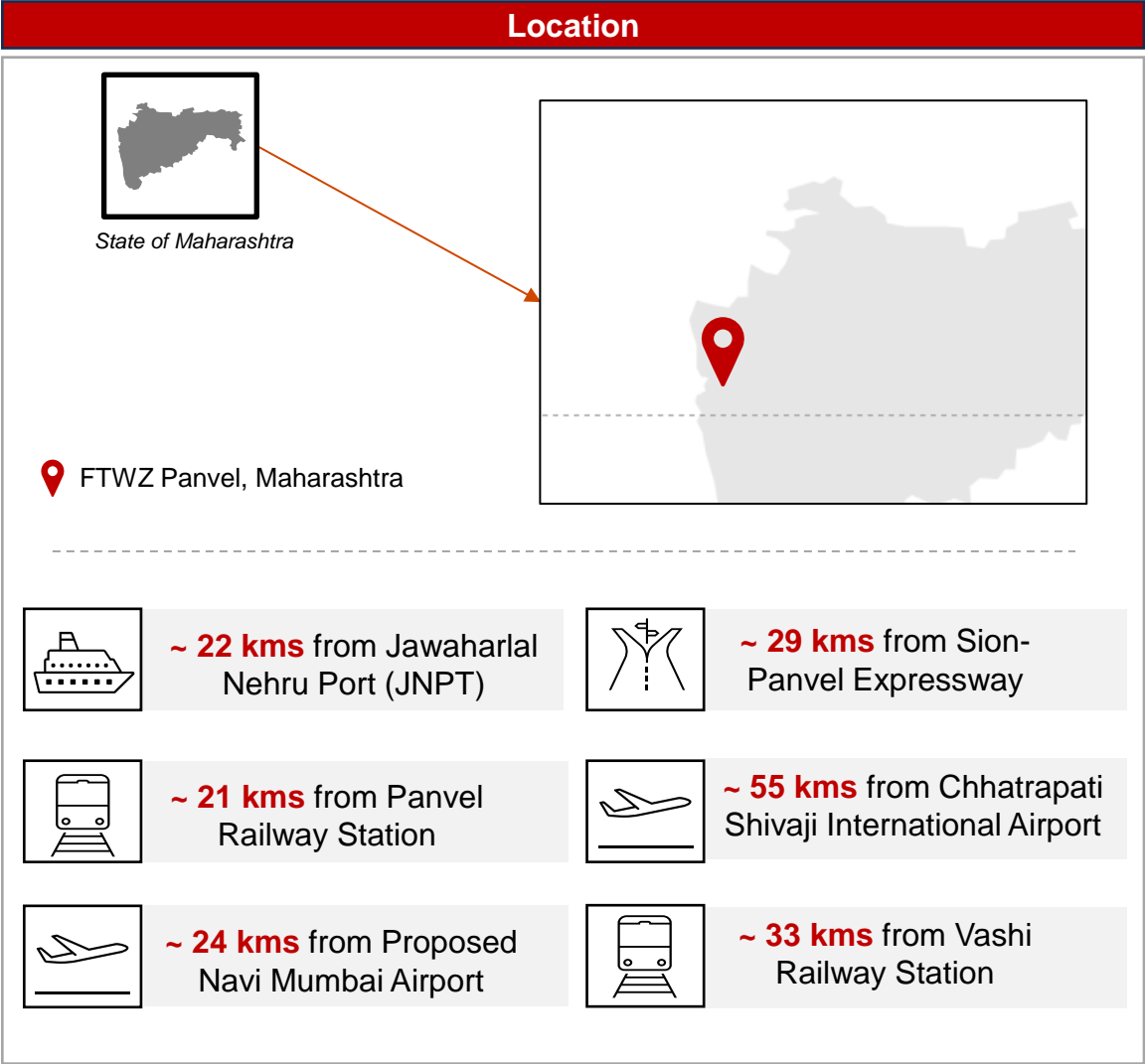
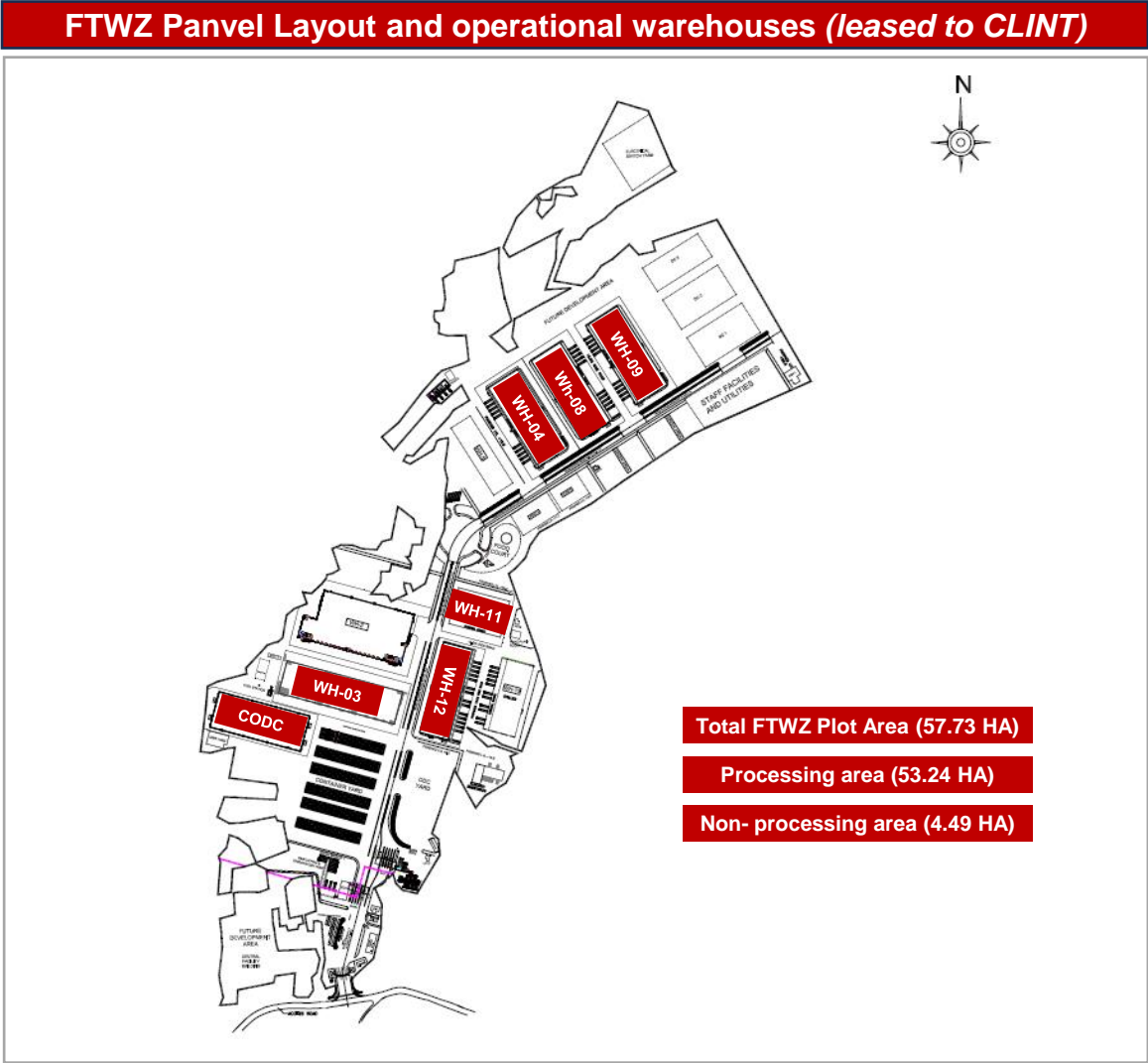







Seven operational warehouses (leased to CLINT) are serving to several reputed clients. Prospective investors may take advantage of the same for the balance area.

Strategic location with proximity to key transportation hubs, major ports, railways and airports



Strategically located near JNPT, offering financial benefits with tax exemptions, duty/GST deferment, and operational advantages with streamlined customs, banking, and support services

Infrastructure



1

Balance area available in FTWZ for future construction:
~71 acres

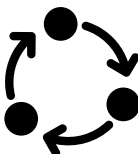
2

~**60,000** racking system pallet positions across warehouses
(leased to CLINT for 30 years, which may be renewed by 30 years each time)

3

Modern Grade A warehouses *(leased to CLINT)* with ceiling height of approximately **13 meters**

Operational Benefits



1

All customs, banking, and support services **streamlined in one location**


2

Allied structures include parking spaces, fire safety systems, security infrastructure, etc.*

3

Site has a strong network of internal roads, with the main road connecting all the warehouses independently

Location



1

Strategically located near JNPT which caters to India's largest container traffic


2

Near the upcoming Navi Mumbai International Airport

3

Prime warehouse hub for EXIM cargo, **perfectly positioned for SAARC trade**

Financial Benefits



1

Exemption from Income Tax on reimport of goods

2

Flexibility of transactions in any free convertible currency

3

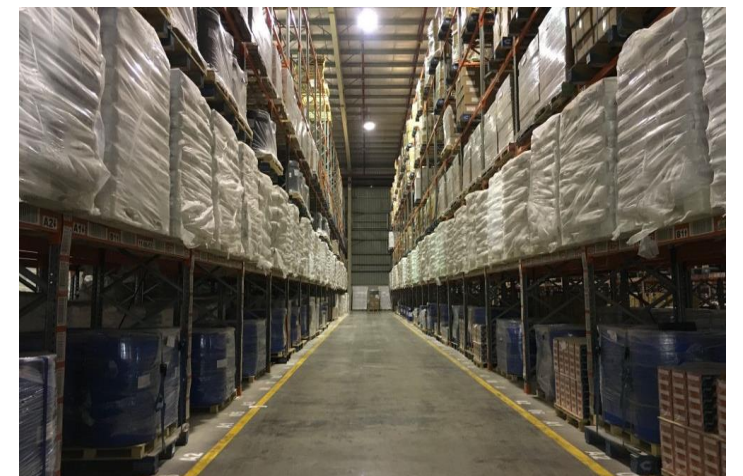
Retain 100% foreign exchange receipts in foreign exchange A/c

4

Deferment of Custom duties / GST for longer periods.

*PRAs are required to undertake their own due diligence with regards to applicable/ ongoing contracts of the corporate debtors w.r.t. third parties.

Photos of site and operational warehouses (*leased to CLINT*) (1/2)

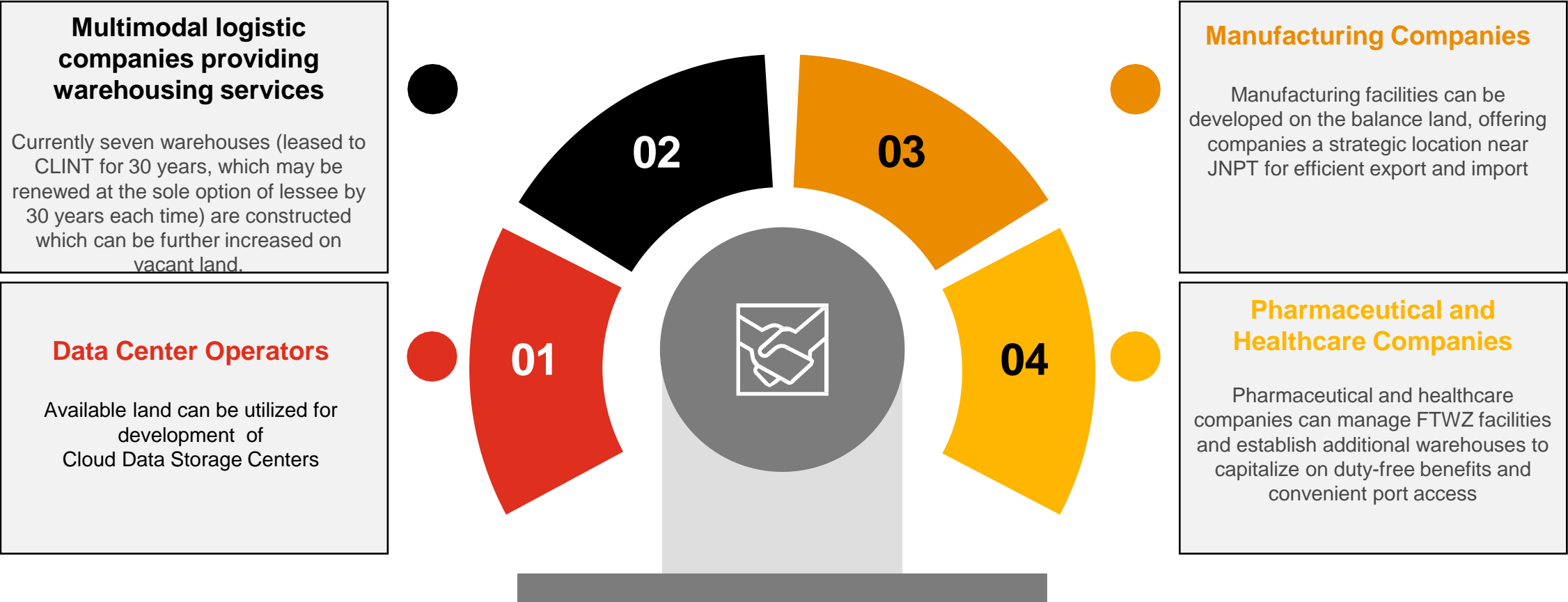


Photos of site and operational warehouses (*leased to CLINT*) (2/2)



Possible Resolution Options

The Indian freight and logistics sector is anticipated to expand at an annual growth rate of **8.8%**, reaching an estimated value of **USD 484.43 billion by 2029**, up from USD 317.26 billion in 2024*. The FTWZ facility provides a prime opportunity for multi-modal logistics companies, data center operators, manufacturers, and pharmaceutical and healthcare firms to utilize the available development space in a strategically located area.



*Source: Logimat India

Transaction Opportunity under Corporate Insolvency Resolution Process (CIRP)

Arshiya Limited is currently undergoing Corporate Insolvency Resolution Process (CIRP)



Mr. Pankaj Mahajan, an Insolvency Professional (bearing Registration No. IBBI/IPA-001/IP-P00836/2017-2018/11420), was appointed as the Resolution Professional (RP) of Arshiya Limited vide the NCLT order dated 25th September 2024.



Interested parties can participate in the CIRP process by submitting the EoI as per the given format along with supporting documents outlined in the EoI process document before 14th October 2024

Physical copies of the documents need to be submitted at the following address:

Mr. Pankaj Mahajan

Resolution Professional of Arshiya Limited

IBBI Registration No. IBBI/IPA-001/IP-P00836/2017-2018/11420

AFA is valid up to 18th December 2024

Address:

To Aryan Shetty

PwC Office, Mumbai Shivaji Park,

252, 2nd-5th floor, Veer Savarkar Marg, Shivaji Park Dadar, Mumbai – 400038, Maharashtra, India

Soft copies on appropriate stamp paper need to be sent to

in_arshyalimited_cirp@pwc.com

Overview of Corporate Insolvency Resolution Process

Summary of Claims as of 17th September 2024

Class of creditors	Amount of claim admitted provisionally* (In INR Crore)
Secured Financial Creditors	3,059.53
Unsecured Financial Creditors	3,482.06
Operational Creditors	44.60
Total	6,586.19

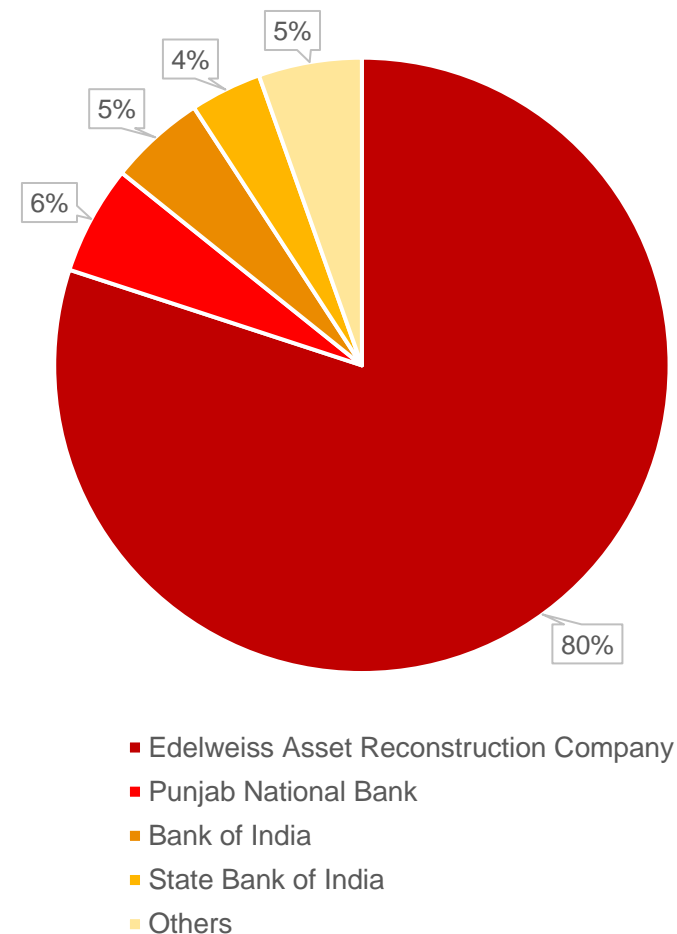
*Please note: Status of claims is subject to further revision on the basis of verification of any additional documents/information as and when received.

CIRP Timelines

Particulars	Date
NCLT Admission Order for Commencement of CIRP	23 rd April 2024
Date of Invitation of Expression of Interest (Eoi)	27 th September 2024
Last date for receipt of Eoi	28 th October 2024
Last date for submission of Resolution Plan(*)	19 th December 2024

*Kindly note that these timelines are indicative in nature and may vary depending on the availability/decisions of all stakeholders.

CoC Split:





Thank you

Pankaj Mahajan

Resolution Professional of Arshiya Limited (Under CIRP)

IBBI Registration No. IBBI/IPA-001/IP-P00836/2017-2018/11420

Email : in_arshiyalimited_cirp@pwc.com

