



Arshiya Group restructures debt with Edelweiss ARC

Mumbai, 4th April 2017: Arshiya Limited and its subsidiaries announced the restructuring of its debt with Edelweiss Asset Reconstruction Company (EARC), which has acquired substantial debt from most of the lenders in the Group.

The objective of the restructuring was to realign its debt with focus to turn-around the operations of the company while charting a road map to achieve the true potential of Arshiya's assets on a sustainable basis.

As per the restructuring agreement, the Group debt as acquired by EARC has been restated at Rs. 1,338 crore. The lenders have also agreed to subscribe to the equity and Zero Coupon rate Optionally Convertible Redeemable Preference Shares (OCRPS) against the balanced debt of Rs. 1,262 crore. The lenders are entitled for 25% of the equity capital of the company (including OCRPS). Considering conversion of all OCRPS, the promoters holding reduces to 55.35% from current 75% holding, Lenders 25% and Public 19.65%. Ernst and Young (EY) are advisors to the restructuring transaction.

Arshiya Group has always created International class assets considering GST implementation, exponential growth in EXIM movement, long term hub and spoke logistics requirements of large clients and accordingly invested in creating massive Free Trade Zones Rail & Rail Terminal along with Dry port and Domestic Warehousing in strategic locations.

Since last two years, Arshiya has worked towards resolving many of the issues plaguing the sector and managed to get the utilisation of its 6 warehouses (around one million sq. ft.) to around 80% at Panvel near Mumbai, while the existing FTWZ Warehouses, ICD, Domestic Warehouses (around one million sq. ft.) at Khurja near Delhi are expected to scale expeditiously.

The land/infrastructure already available with the Company near Mumbai and Delhi has a potential to scale up almost 7-8 times its present capacity at nominal cost. With GST, 'Make in India', 'Ease of Doing Business', India's increased participation in global trade - the true demand potential is multi-fold of what Arshiya can deliver even with its enhanced capacity of existing zones.

The lenders of Arshiya Group have shown confidence in the ability of its Management to harness the potential of its assets which has led to the restructuring.

While FTWZ is a well-established concept internationally (China-8 Mega Free Zones in over 100 sq. kms , Dubai-Jabal-Ali, Singapore and Hong-Kong) the same has got recognition in India over the last 1-2 years from Global Corporates.

About Arshiya Limited:

Arshiya operates two Free Trade & Warehousing Zone (FTWZ) in Panvel, near Mumbai (160 acres) and at Khurja, near Delhi (325 acres), where it also operates Country's largest Logistic park with unique integrated solution providing capability consisting - FTWZ, ICD, Rail & Rail Terminal and Domestic Warehousing. Arshiya assets are strategically located; Mumbai FTWZ is located near JNPT Port and Delhi Integrated Logistics Park (only one of it's kind in India) is located at the confluence of the Western and Eastern Dedicated freight corridors. The assets near Mumbai and Delhi offers world class logistics and storage facilities with supply chain services akin to one provided globally.

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