

Arshiya

India's foremost integrated

supply
chain

and

logistics
infrastructure



solutions provider



TRUCK QUEUING

CUSTOMS OFFICE 1

PROCESSING ZONE ENTRY

VISITOR CENTER

VISITOR CAR PARKING

Arshiya Limited

Update - August 2018

Corporate Information



- ❑ Established in 2010 and listed on BSE & NSE
- ❑ 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 India Presence
- ❑ Owns Private Inland Container Depot (ICD) with the largest number of rail sidings
- ❑ Over 325 Logistics & Regulatory specialist staff and +700 expert Contracted Support

Unique Free Trade Warehousing Zone (FTWZ) : Value Proposition

- Duty deferment benefits: free up working capital, reduction of buffer stocks, initiate volume discount and ensure higher inventory visibility
- For International customers in specific, availability of their stocks for Indian Sub-con /South East Asia
- Foreign entities can start their EXIM business in India within one day just by registering with us at FTWZ
- Flexibility of paying our charges in USD or other freely convertible currency by customers
- Exemption of GST @ 18% on services rendered inside FTWZ Premises – (on Handling & Storage)
- Exemption from Income Tax on Re-export
- 100% retention of FOREX in foreign currency account
- Exemption of stamp duty on imported containers – 0.1 % of assessable value (FTWZ in West India)
- Trading within FTWZ is permissible
- All goods except prohibited goods can be warehoused and traded thereof
- Internal road network capable of handling high traffic intensity of at least 2,400 trailers per day
- Eight-lane entry and exit area for customs checking to prevent traffic bottlenecks
- 8000-plus container stocking capacity facilitated by a six-level container storage
- Excellent security solutions, including CCTVs, guards, and IP-based global access control systems
- Marketability of products in the domestic tariff area market
- 24/7 customs clearance facilitates
- IT enabled operational services to the client

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, all support infrastructure under one roof
- ❑ Mega trading hub with substantial fiscal benefits

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

- ❑ India's first multi-modal logistics park, spread across ~ 300 acre
- ❑ Strategically located near the confluence of Eastern and Western Freight corridors, major consumption centers
- ❑ 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) and Container Rail Terminal (CRT) provides access to carry and handle bulk cargo

Pan India – Rail Rolling Stock

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

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

Segment Financials

Particulars (INR-Lakh)	Q1FY19	Q4FY18	Q1FY18	Y-o-Y	FY18
Segment Operational Revenue					
FTWZ, Domestic Warehousing & 3 PL (A)	3,780	3,365	2,916	30%	12,253
FTWZ & 3 PL	3,697	3,345	2,916		12,233
Domestic Warehousing	83	20	0		20
Rail Transport Operations/ ICD (B)	3,426	3,221	4,451	-23%	13,653
Total Revenue from Operations (A+B)	7,206	6,586	7,366		25,907
Segment EBITDAR					
FTWZ, Domestic Warehousing & 3 PL	2,515	2,025	1,399	80%	6,500
FTWZ & 3 PL	2,474	2,005	1,399		6,480
Domestic Warehousing	41	20	0		20
Rail Transport Operations/ ICD	102	1,017*	79	29%	1,204
Less: Intercompany Elimination	-253	-488	-296		-1,374
Total (C)	2,363	2,554	1,181	100%	6,331
Less: Lease Rentals (D)	1,370	903	0		903
Segment EBITDA					
FTWZ, Domestic Warehousing & 3 PL	1,145	1,122	1,399	-18%	5,598
FTWZ & 3 PL	1,104	1,102	1,399		5,578
Domestic Warehousing	41	20	0		20
Rail Transport Operations/ ICD	102	1,017	79	29%	1,204
Less: Intercompany Elimination	-253	-488	-296		-1,374
Total (C-D)	993	1,651	1,181	-16%	5,428

* includes write backs of excess provisions

Arshiya Limited

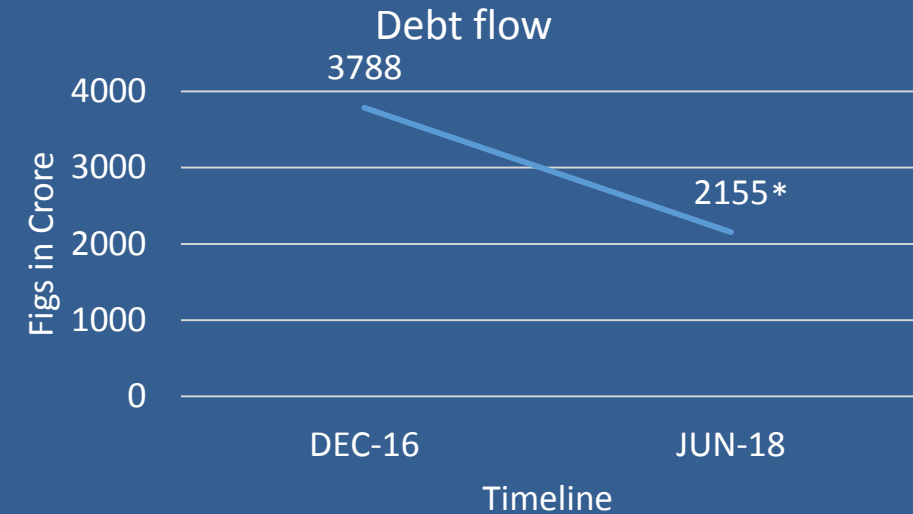
- The Operating Revenue and EBITDAR for Warehousing and 3 PL business increased by 30% and 80% respectively in Q1 FY19 over Q1 FY18. This increase is due to increased capacity utilization and cost reduction efforts
 - The FTWZ & 3PL EBITDAR at Rs.24.74 cr in Q1 FY19 increased by 77% over the corresponding period of previous year
 - Post long term lease of 6 W/H's to Ascendas in Feb. 2018, said W/H's are back-to-back leased to the subsidiary of the Company
 - The quarterly numbers include Lease rental as part of operating cost
 - The Rail business EBITDA increased by 29% in Q1 FY19 over Q1 FY18 due to increased utilization of rakes, reduction in empty movement and cost reduction measures
- EBITDAR means Earnings before Interest, Tax, Depreciation, Amortization and Lease Rentals*

Key Drivers

□ Monetisation of Warehouses and Reduction of Debt

The 6 warehouses (0.832 mn sft) at Panvel FTWZ have been monetized in favour of Ascendas Property Fund (India) Pte. Limited (“Ascendas” – part of Ascendas-Singbridge Group, Singapore) for INR 534 cr.

The Group Debt has reduced by 40 % from the peak level



* FTWZ & 3PL (Rs. 1236 crore) and Rail-Port (Rs. 919 crore)

Key Drivers contd. ...

□ Future Targets

- Looking for further monetization of assets targeting reduction in debt. Ascendas transaction also includes the construction funding and forward purchase of future warehouses at Panvel FTWZ.
- Panvel zone has development potential in excess of ~ 3 mn sft. The construction of 4 new warehouses (~ 0.6 mn sft) has commenced
- The facility at Khurja has 3 operational FTWZ warehouses (0.34 mn sft) and 3 Domestic warehouses (0.32 mn sft). Group is targeting to monetize these operational warehouses (in phases) at Khurja facility as well
- Total development potential at Khurja is ~4 mn sft of warehousing space which includes ~2.5 mn sft of FTWZ warehousing and ~ 1.5 mn sft of Domestic warehousing.

Key Drivers contd. ...

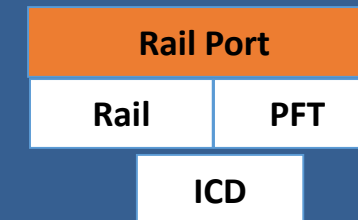
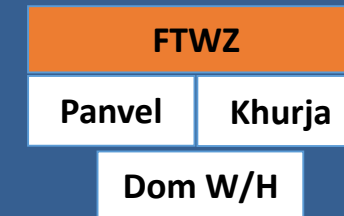
□ Business Re-organisation

Proposed re-organization in two business segments:

- (a) FTWZ and Warehousing, 3 PL
- (b) Rail, Rail Terminal and ICD

FTWZ Warehouse monetization will allow the group to move to Asset light model in FTWZ business. Demerger of Rail/ICD business allows a direct play on high return asset light FTWZ business

**Proposed
(Post De-merger)**



□ Increasing Global tie-ups

- Substantial interest in the FTWZ, Supply Chain and Rail operations by marquee Global clientele
- Shift of clientele base to Institutional business houses requiring large space/ full warehouse from sectors like Telecom, E-commerce, Chemicals, Pharma

□ Government impetus for Logistics infrastructure

First mover advantage in FTWZ and having strategically located Multi-modal Logistics Park

□ Upgrading the Technology platform

Implementation of SAP S4/ Hana in progress – Looking to integrate Group's service offerings with customers' software and improvising the IT enabled operational services

Forward looking and cautionary statement

Forward looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company assumes no responsibility to publicly amend, modify or revise forward looking statements, on the basis of any subsequent developments, information or events. Actual results may differ materially from those expressed in the statement.