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ALPHA REAL TRUST LIMITED (“ART” OR THE “COMPANY”)

Galaxia investment: Supreme Court of India permits the Company to withdraw INR 100 million plus interest accrued totalling INR 115 million (£1.23 million) of a court held deposit funded by Logix

The Supreme Court of India has permitted ART to withdraw INR 100 million plus interest accrued totalling INR 115 million (£1.23 million) of a court held deposit funded by Logix Group (“Logix”). The amount has since been successfully recovered by the Company. This amount was the balance of the INR 200 million deposited by Logix in the Supreme Court when they challenged the Arbitral Award described below.

These amounts form part of ART’s claim in respect of its Galaxia investment, a joint venture with Logix regarding an 11.2-acre development site located in NOIDA, the National Capital Region, India. As announced in January 2015, the International Chamber of Commerce (ICC) Arbitration declared an award in favour of the Company as a result of breaches by Logix.

The total award amounted to £9.2 million based on exchange rates at the time. Additionally, a further 15% p.a. interest on all sums was awarded to the Company from 20 January 2015 until the actual date of payment by Logix. £2.23 million has been recovered by the Company to date.

Logix had challenged the arbitration award at both the Delhi High Court and latterly a Division Bench of the Delhi High Court, however both courts declared in favour of the Company and rejected Logix’s appeal. Logix later appealed the dismissal before the Supreme Court of India. The Supreme Court admitted the appeal and ordered Logix to deposit INR 200 million with the court to partially secure the Company’s claim. This amount has been successfully recovered by the Company. The next hearing is tentatively scheduled for 13 January 2020.

Although ART continues to actively pursue its claim, the Company carried the joint venture in arbitration in its accounts as at 30 September 2019 at INR 350 million. The amount recognised in the accounts does not include the additional compensation awarded due to uncertainty over timing and final value of this award.

Further updates will be provided in due course.

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