

Arshiya Limited

CIN: L27320MH1981PLC024747

Registered Office: 302, Level 3, Ceejay House, Opp. Atria Mall, Dr. Annie Besant Road, Worli, Mumbai- 400 018
Phone No. 022 42305500 # Email id: info@arshiyalimited.com # website: www.arshiyalimited.com

UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2015

(Rs. In Lacs)

Sr. No	Particulars	Quarter Ended			Six Month Ended		Year Ended
		30.09.2015 (Unaudited)	30.06.2015 (Unaudited)	30.09.2014 (Unaudited)	30.09.2015 (Unaudited)	30.09.2014 (Unaudited)	31.03.2015 (Audited)
1	Income from operations						
	(a) Net sales/income from operations	7,935.66	8,790.23	7,701.61	16,725.90	15,062.11	32,423.04
	(b) Other operating income	-	-	-	-	-	-
	Total income from operations (net)	7,935.66	8,790.23	7,701.61	16,725.90	15,062.11	32,423.04
2	Expenses						
	(a) Cost of operations	4,955.98	5,913.49	5,304.90	10,869.47	10,675.54	22,921.93
	(b) Employee benefits expense	805.08	789.57	603.16	1,594.65	1,373.49	2,748.51
	(c) Depreciation and amortization expense	2,643.67	2,630.70	2,580.41	5,274.37	5,213.63	10,109.33
	(d) Other expenses	668.84	714.79	853.08	1,383.64	1,661.64	3,602.25
	Total expenses (a+b+c+d)	9,073.57	10,048.56	9,341.55	19,122.13	18,924.30	39,382.02
3	Profit/(Loss) from operations before other income, finance cost and exceptional items (1-2)	(1,137.91)	(1,258.32)	(1,639.94)	(2,396.23)	(3,862.19)	(6,958.98)
4	Other Income	33.05	29.02	80.49	62.06	105.50	783.10
5	Profit/(Loss) from ordinary activities before finance costs and exceptional items (3+4)	(1,104.86)	(1,229.31)	(1,559.45)	(2,334.17)	(3,756.69)	(6,175.88)
6	Finance costs	7,459.57	11,157.89	9,535.73	18,617.45	19,194.23	40,349.45
7	Profit/(Loss) from ordinary activities after finance costs but before exceptional items (5-6)	(8,564.43)	(12,387.20)	(11,095.18)	(20,951.62)	(22,950.92)	(46,525.33)
8	Exceptional Items	1,530.93	387.74	247.66	1,918.67	501.87	1,085.81
9	Prior Period Adjustments	9.75	(142.00)	-	(132.25)	-	354.75
10	Profit/(Loss) from ordinary activities before tax (7-8-9)	(10,105.12)	(12,632.94)	(11,342.84)	(22,738.04)	(23,452.79)	(47,965.89)
11	Tax expense	-	-	-	-	-	(565.19)
12	Net Profit/(Loss) from ordinary activities after tax (10-11)	(10,105.12)	(12,632.94)	(11,342.84)	(22,738.04)	(23,452.79)	(47,400.70)
13	Minority Interest	-	-	-	-	-	-
14	Extraordinary Item (net of tax expenses)	-	-	-	-	-	-
15	Net profit/(Loss) for the period (12-13-14)	(10,105.12)	(12,632.94)	(11,342.84)	(22,738.04)	(23,452.79)	(47,400.70)
16	Paid-up equity share capital (Face value per share Rs. 2/-)	2,843.99	2,638.59	2,348.59	2,843.99	2,348.59	2,548.59
17	Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year						(43,795.60)
18	Earning Per Share (EPS)						
	EPS before and after Extraordinary items (not annualised)						
	- Basic	(7.68)	(9.65)	(12.45)	(17.28)	(25.74)	(44.33)
	- Diluted	(7.68)	(9.65)	(12.45)	(17.28)	(25.74)	(44.33)
19	Public shareholding						
	- Number of Shares	3,90,59,247	3,90,59,247	3,90,59,247	3,90,59,247	3,90,59,247	3,90,59,247
	- Percentage of Shareholding	27.47%	29.61%	33.26%	27.47%	33.26%	30.65%
20	Promoters and Promoter Group Shareholding						
	a) Pledged/Encumbered						
	- Number of Shares	9,28,70,225	8,43,70,225	2,93,70,225	9,28,70,225	2,93,70,225	7,43,70,225
	- Percentage of shares (as a % of the total shareholding of promoters and promoter group)	90.04%	90.85%	37.48%	90.04%	37.48%	84.16%
	- Percentage of shares (as a % of the total share capital of the company)	65.31%	63.95%	25.01%	65.31%	25.01%	58.36%
	b) Non Encumbered						
	- Number of Shares	1,02,70,000	85,00,000	4,90,00,000	1,02,70,000	4,90,00,000	1,40,00,000
	- Percentage of shares (as a % of the total shareholding of promoters and promoter group)	9.96%	9.15%	62.52%	9.96%	62.52%	15.84%
	- Percentage of shares (as a % of the total share capital of the company)	7.22%	6.44%	41.73%	7.22%	41.73%	10.99%
21	Investor Complaints						
	Pending at the beginning of the Quarter					Nil	
	Received during the Quarter					1	
	Disposed of during the Quarter					1	
	Remaining unresolved at the end of the Quarter					Nil	

✓



Arshiya Limited

CIN: L27320MH1981PLC024747

Registered Office: 302, Level 3, Ceejay House, Opp. Atria Mall, Dr. Annie Besent Road, Worli, Mumbai- 400 018
Phone No. 022 42305500 # Email id: info@arshyalimited.com # website: www.arshyalimited.com

UNAUDITED CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2015

(Rs in Lacs)

Sr No	Particulars	30.09.2015 (Unaudited)	31.03.2015 (Audited)
I	EQUITY AND LIABILITIES		
(1)	Shareholders' funds		
	(a) Share Capital	2,843.99	2,548.59
	(b) Reserves and surplus	(1,567.38)	19,743.59
		1,276.61	22,292.18
(2)	Non-current liabilities		
	(a) Long-term borrowings	2,11,004.28	2,50,411.40
	(b) Other long-term liabilities	583.67	593.99
	(c) Long-term provisions	56.43	44.88
		2,11,644.38	2,51,050.27
(3)	Current liabilities		
	(a) Short-term borrowings	13,018.30	16,626.25
	(b) Trade payables	1,871.77	2,200.67
	(c) Other current liabilities	1,38,856.68	79,624.98
	(d) Short-term provisions	1,996.42	4,714.60
		1,55,743.17	1,03,166.50
	TOTAL	3,68,664.16	3,76,508.95
II	ASSETS		
(1)	Non-current assets		
	(a) Fixed assets	3,54,654.48	3,62,068.25
	(b) Long-term loans and advances	6,406.40	5,141.59
	(c) Other non-current assets	72.47	70.85
		3,61,133.35	3,67,280.69
(2)	Current assets		
	(a) Inventories	43.81	41.98
	(b) Trade receivables	2,168.02	2,191.13
	(c) Cash and Bank balances	649.36	615.14
	(d) Short-term loans and advances	4,654.45	6,370.85
	(e) Other current assets	15.17	9.16
		7,530.81	9,228.26
	TOTAL	3,68,664.16	3,76,508.95



Arshiya Limited

CIN: L27320MH1981PLC024747

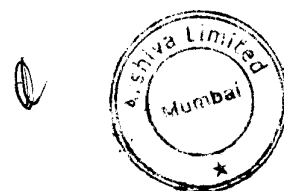
Registered Office: 302, Level 3, Ceejay House, Opp. Atria Mall, Dr. Annie Besent Road, Worli, Mumbai- 400 018

Phone No. 022 42305500 # Email id: info@arshiyalimited.com # website: www.arshiyalimited.com

UNAUDITED CONSOLIDATED SEGMENTWISE REPORT FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2015

(Rs. In Lacs)

Sr. No.	Particulars	Quarter Ended			Six Month Ended		Year Ended
		30.09.2015 (Unaudited)	30.06.2015 (Unaudited)	30.09.2014 (Unaudited)	30.09.2015 (Unaudited)	30.09.2014 (Unaudited)	31.03.2015 (Audited)
1	Segment Revenue						
	FTWZ/ICD	2,780.54	2,781.05	1,743.09	5,561.59	3,525.59	8,589.69
	Rail Transport Operations	5,155.12	6,009.18	5,957.92	11,164.30	11,527.07	23,823.90
	Unallocated	-	-	0.58	-	9.44	9.44
	TOTAL	7,935.67	8,790.23	7,701.60	16,725.90	15,062.11	32,423.04
2	Segment Results						
	Profit Before Tax and Interest						
	FTWZ/ICD	(390.25)	(493.40)	(418.48)	(883.65)	(1,068.40)	(860.57)
	Rail Transport Operations	(712.03)	(733.70)	(545.93)	(1,445.73)	(1,336.37)	(2,598.28)
	Unallocated	(2.59)	(2.21)	(595.04)	(4.80)	(1,351.91)	(2,717.03)
	TOTAL	(1,104.87)	(1,229.31)	(1,559.45)	(2,334.18)	(3,756.68)	(6,175.88)
	Less: Interest Expenses (Net)	7,459.56	11,157.89	9,535.73	18,617.45	19,194.23	40,349.45
	Profit Before Tax, Exceptional Items and Prior Period Items	(8,564.43)	(12,387.20)	(11,095.19)	(20,951.63)	(22,950.92)	(46,525.33)
3	Capital Employed						
	FTWZ/ICD	69,775.93	72,053.83	81,069.94	69,775.93	81,069.94	74,913.03
	Rail Transport Operations	(535.12)	(8.50)	8,218.40	(535.12)	8,218.40	3,022.29
	Unallocated	45,551.73	35,225.63	58,711.26	45,551.73	58,711.26	56,317.38
	Inter Segmental Elimination	(1,13,515.93)	(97,385.35)	(1,01,481.83)	(1,13,515.93)	(1,01,481.83)	(1,11,960.53)
	TOTAL	1,276.61	9,885.61	46,517.76	1,276.61	46,517.76	22,292.17



Arshiya Limited

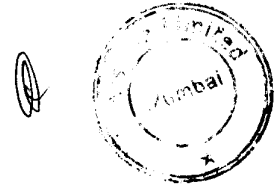
CIN: L27320MH1981PLC024747

Registered Office: 302 Ceejay House, Level 3, Shiv Sagar Estate – Block, Dr. Annie Besant Road, Worli, Mumbai - 400018

Notes to Consolidated Results:

1. The above financial results for the quarter ended 30th September, 2015 have been reviewed by the Audit Committee at their meeting held on 26th October, 2015 and approved by the Board of Directors on 27th October, 2015.
2. The Consolidated Earnings before Depreciation, Interest and Tax (EBDITA) has improved to Rs. 1,538.81 lacs for Q2 of F.Y. 2015-2016 as compared to Rs. 1,401.39 lacs for Q1 of F.Y. 2015-2016 and Rs. 1,020.96 lacs for Q2 of F.Y. 2014-2015.
- 3.1 During the F.Y. 2013-2014, Secured Lenders (Banks) had approved the restructuring package under “Corporate Debt Restructuring Package” (CDR). The Group has not been able to generate sufficient cash flows to service the loan repayments/interest payments which resulted into Group’s borrowings becoming “Non Performing Assets” (NPAs) with most of the Banks. Such defaults entitle the CDR lenders to reverse the waiver/sacrifices granted by them. The Management is of the view that the lenders are unlikely to exercise their right. Therefore, the recompense amount on account of such waiver/sacrifices estimated at Rs. 17,509 lacs has not been provided.
- 3.2 The Group has not been able to generate sufficient cash flows as reflected by non-payment of full and final settlement dues of employees to the extent of Rs. 570.73 lacs, delay in payment of dues of interest and repayment of principal borrowings to the banks, non-banking finance company and financial institution aggregating to Rs. 93,876.89 lacs (including interest of Rs. 47,146.78 lacs), statutory dues remaining unpaid to the extent of Rs. 3,178.41 lacs and court cases against the Group/Directors for winding up/other legal proceedings for recovery of dues/dishonor of cheques.
- 3.3 The Management of the Group is restructuring its business operations by –
 - expanding the business volumes and client base,
 - commencing the Inland Container Depot (ICD) at Khurja,
 - infusion of funds by promoters under the CDR package.

The above steps shall enable the Group to improve its net worth and ability to generate cash flows to discharge the debts/liabilities in near future.



4 Assignment of loans to Asset Reconstruction Company (ARC):

- (i) Some secured lenders which were part of the CDR have assigned their respective outstanding dues to an Asset Reconstruction Company (ARC) on the same terms and conditions as applicable to the CDR lenders. The Group Companies are pursuing with the ARC for a viable restructuring package with revised terms as to repayment of Interest and Principal. Pending finalization of the restructuring package, the Group has:
- (a) During the quarter, reversed the interest provided for the financial year ended 31st March, 2015 and Quarter ended 30th June, 2015 amounting to Rs. 23.47 lacs and Rs. 1,678.56 lacs respectively on loans assigned to ARC.
- (b) Not provided for interest on loans assigned to ARC for the Quarter ended 30th September, 2015. Had the Company provided for the interest on such assigned loans, the loss before tax for the Quarter would have been higher by Rs. 2,361.03 lacs.
- (ii) On finalization of the restructuring package, the Company will record the effect of the revised terms, as to repayment of Interest and Principal, in the period in which the restructuring package is completed.

5 Pursuant to the CDR Package and special resolution passed by the members of the Holding Company on 12th May, 2014, the Holding Company has allotted 1,02,70,000 equity shares to promoters on preferential basis on 29th September 2015. The promoters are in the process of pledging the shares to the lenders.

6 In view of absence of profits, the remuneration amounting to Rs.114.82 lacs paid/provided for FY 2013-2014 to Mr. Suhas Thakar, Ex-Executive Director of the Holding Company, being in excess of limits prescribed under Section 198 read with Schedule XIII of the Companies Act, 1956, the Holding Company has filed an application to the Central Government for waiver of excess remuneration paid. The said application is under consideration of the Central Government.

7 Mark to Market Losses

Axis Bank

During the Quarter:

- i. The Holding Company has terminated the cross currency swap derivative contract with Axis Bank Limited for an agreed valuation of Rs. 4,200 lacs. The Holding Company had already provided for an amount of Rs. 2,552.19 lacs for the MTM Loss up to 30th June, 2015. The balance amount of Rs. 1,647.81 lacs is accounted as an exceptional item in the Statement of Profit and Loss.



- ii. The Holding Company has entered into a new INR to USD Principal only Swap contract with Axis Bank Limited on 30th September, 2015, with effect from 5th October, 2015, the maturity date being 30th September, 2020 for a notional amount of Rs. 25,000 lacs (USD 380.75 lacs).

ING Vysya Bank

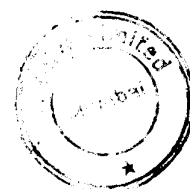
- i. In respect of derivative contracts entered into by the Holding Company with ING Vysya Bank (now amalgamated with Kotak Mahindra Bank Limited w.e.f. 1st April, 2015), the bank had prematurely terminated the contracts and had demanded termination and liquidation fees aggregating to Rs. 2,875 lacs, which are disputed by the Holding Company.
- ii. The Holding Company has an accumulated provision of Rs. 1,799.43 lacs on account of MTM losses on these contracts. Consequential adjustments, if any, will be made in the period in which finality of dispute is reached.

- 8 Exceptional items (Net) for the current quarter are as under:

		(Rs. in lacs)
Sr. No.	Particulars	Quarter ended 30 th September, 2015
a)	Loss on termination of cross currency swap derivative contracts	1,647.81
b)	Legal and Professional fees related to restructuring	(50.00)
c)	Bad Debts Written Off	0.45
d)	Sundry Balance written back (Net)	(67.33)
TOTAL		1,530.93

Note: Figures in brackets denote items of credit nature.

- 9 Certain lenders and creditors have filed winding up petitions/cases/other legal proceedings for recovery of the amounts due to them which are at different stages before the respective judicial forums/authorities. Claims by the said lenders and creditors have been contested by the respective Group Companies in those proceedings and not acknowledged as debts. It is not possible to estimate the financial implications of such claims at this juncture.
- 10 The Group operates in two primary reportable segments i.e. "Developing and Operating FTWZ/ICD" and "Rail Transport Operations" and in a single geographical segment i.e. India as per Accounting Standard 17 – "Segment Reporting".
- 11 The Group provides gratuity and leave encashment (benefits) based on actuarial valuation as on 31st March. As regards the provision for benefits for the quarter ended June, September and December, the Company provides the liability on an estimate basis as per the rules applicable to its employees in this regard. The difference between the liabilities on estimate basis for the first three quarters with the liability on actuarial basis is adjusted during the last quarter/year ended 31st March of every year.



12 Certain balances relating to trade receivables and loans and advances outstanding as on 30th September, 2015 are subject to reconciliation and confirmation and hence the impact thereof on the accounts as up to that date is not presently ascertainable. The adjustments if any arising on account of the same shall be carried out upon completion of the process of reconciliation and confirmation.

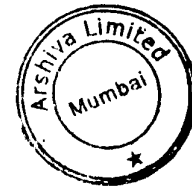
13 The previous period's quarter/year figures have been regrouped/re-arranged, wherever necessary.

For and on behalf of Board of Directors of
Arshiya Limited



Ajay S. Mittal
Chairman and Managing Director
DIN: 00226355

Place: Mumbai
Date: 27th October, 2015



Arshiya Limited

CIN: L27320MH1981PLC024747

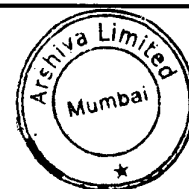
Registered Office: 302, Level 3, Ceejay House, Opp. Atria Mall, Dr. Annie Besant Road, Worli, Mumbai- 400 018

Phone No. 022 42305500 # Email id: info@arshiyalimited.com # website: www.arshiyalimited.com

UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED ON 30TH SEPTEMBER, 2015

(Rs. In Lacs)

Sr.No.	Particulars	Quarter Ended			Half Year Ended		Year Ended
		30.09.2015 (Unaudited)	30.06.2015 (Unaudited)	30.09.2014 (Unaudited)	30.09.2015 (Unaudited)	30.09.2014 (Unaudited)	31.03.2015 (Audited)
1	Income from operations						
	Income from operations	1,684.49	1,608.41	1,266.53	3,292.90	2,362.81	5,050.53
	Total income from operations	1,684.49	1,608.41	1,266.53	3,292.90	2,362.81	5,050.53
2	Expenses						
	(a) Cost of operations	86.30	102.40	90.07	188.70	183.87	345.04
	(b) Employee benefits expense	454.10	443.76	340.35	897.86	695.56	1,428.30
	(c) Depreciation and amortization expense	654.59	651.29	750.53	1,305.88	1,531.55	2,922.02
	(d) Other expenses	434.80	444.45	552.10	879.25	1,091.43	2,087.56
	Total expenses (a+b+c+d)	1,629.79	1,641.90	1,733.05	3,271.69	3,502.41	6,782.92
3	Profit/(Loss) from operations before other income, finance costs and exceptional items (1-2)	54.70	(33.49)	(466.52)	21.21	(1,139.60)	(1,732.39)
4	Other Income	13.74	0.10	12.09	13.84	31.69	60.23
5	Profit/(Loss) from ordinary activities before finance costs and exceptional items (3+4)	68.44	(33.39)	(454.43)	35.05	(1,107.91)	(1,672.16)
6	Finance costs	4,603.17	5,744.10	5,196.99	10,347.28	10,170.07	21,320.83
7	Profit/(Loss) from ordinary activities after finance costs but before exceptional items (5-6)	(4,534.74)	(5,777.49)	(5,651.42)	(10,312.23)	(11,277.98)	(22,992.99)
8	Exceptional Items (Net)	1,646.04	81.32	263.78	1,727.36	271.27	1,089.94
9	Prior Period Adjustment	(6.02)	-	-	(6.02)	-	317.40
10	Profit/(Loss) from ordinary activities before tax (7-8-9)	(6,174.76)	(5,858.82)	(5,915.20)	(12,033.58)	(11,549.25)	(24,400.33)
11	Tax expense	-	-	-	-	-	-
12	Net profit/(Loss) for the period from ordinary activities (10-11)	(6,174.76)	(5,858.82)	(5,915.20)	(12,033.58)	(11,549.25)	(24,400.33)
13	Paid-up equity share capital (Face value per share Rs. 2/-)	2,843.99	2,638.59	2,348.59	2,843.99	2,348.59	2,548.59
14	Reserves excluding Revaluation Reserves as per Balance sheet of previous accounting year						21,503.33
15	Earnings Per Share (EPS)						
	EPS before and after Extraordinary items (not annualised)						
	- Basic	(4.67)	(4.47)	(6.49)	(9.15)	(12.68)	(22.82)
	- Diluted	(4.67)	(4.47)	(6.49)	(9.15)	(12.68)	(22.82)
16A	Particulars of Shareholdings						
i	Public shareholding						
	- Number of Shares	3,90,59,247	3,90,59,247	3,90,59,247	3,90,59,247	3,90,59,247	3,90,59,247
	- Percentage of Shareholding	27.47%	29.61%	33.26%	27.47%	33.26%	30.65%
ii	Promoters & Promoter Group Shareholding						
	a) Pledged/Encumbered						
	- Number of Shares	9,28,70,225	8,43,70,225	2,93,70,225	9,28,70,225	2,93,70,225	7,43,70,225
	- Percentage of shares (as a % of the total shareholding of promoters and promoter group)	90.04%	90.85%	37.48%	90.04%	37.48%	84.16%
	- Percentage of shares (as a % of the total share capital of the company)	65.31%	63.95%	25.01%	65.31%	25.01%	58.36%
	b) Non Encumbered						
	- Number of Shares	1,02,70,000	85,00,000	4,90,00,000	1,02,70,000	4,90,00,000	1,40,00,000
	- Percentage of shares (as a % of the total shareholding of promoters and promoter group)	9.96%	9.15%	62.52%	9.96%	62.52%	15.84%
	- Percentage of shares (as a % of the total share capital of the company)	7.22%	6.44%	41.73%	7.22%	41.73%	10.99%
16B	Investor Complaints						
	Pending at the beginning of the quarter					Nil	
	Received during the quarter					1	
	Disposed off during the quarter					1	
	Remaining unresolved at the end of the quarter					Nil	



Arshiya Limited

CIN: L27320MH1981PLC024747

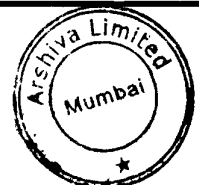
Registered Office: 302, Level 3, Ceejay House, Opp. Atria Mall, Dr. Annie Besent Road, Worli, Mumbai-400 018 Phone No. 022 42305500

Email id: info@arshiyalimited.com # website: www.arshiyalimited.com

UNAUDITED STANDALONE STATEMENT OF ASSETS AND LIABILITIES AS AT 30TH SEPTEMBER, 2015

(₹ in Lacs)

Sr.No.	Particulars	STANDALONE	
		30.09.2015 (Unaudited)	31.03.2015 (Audited)
I	EQUITY AND LIABILITIES		
	(1) Shareholders' funds		
	(a) Share capital	2,843.99	2,548.59
	(b) Reserves and surplus	33,947.88	44,468.86
		36,791.87	47,017.45
	(2) Non-current liabilities		
	(a) Long-term borrowings	1,08,163.83	1,24,779.42
	(b) Other long-term liabilities	3,197.34	3,204.07
	(c) Long-term Provision	8.80	6.30
		1,11,369.97	1,27,989.79
	(3) Current liabilities		
	(a) Short-term borrowings	11,206.19	11,773.56
	(b) Trade payables	1,099.67	675.84
	(c) Other current liabilities	77,456.34	48,498.40
	(d) Short-term provisions	1,883.94	4,261.07
		91,646.14	65,208.87
	TOTAL	2,39,807.98	2,40,216.11
II	ASSETS		
	(1) Non-current assets		
	(a) Fixed assets	1,42,411.93	1,44,923.24
	(b) Non-current investments	83,419.41	83,424.41
	(c) Long-term loans and advances	11,087.42	9,008.46
		2,36,918.76	2,37,356.11
	(2) Current assets		
	(a) Trade receivables	209.31	336.34
	(b) Cash and bank balances	294.35	218.44
	(c) Short-term loans and advances	2,385.56	2,305.22
		2,889.22	2,860.00
	TOTAL	2,39,807.98	2,40,216.11



Arshiya Limited

CIN: L27320MH1981PLC024747

Registered Office: 302 Ceejay House, Level 3, Shiv Sagar Estate – Block, Dr. Annie Besant Road, Worli, Mumbai - 400018

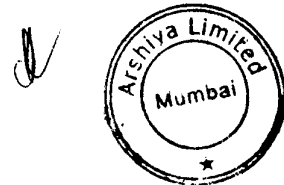
Notes to Standalone Results:

- 1) The above financial results for the quarter ended 30th September, 2015 have been reviewed by the Audit Committee at their meeting held on 26th October, 2015 and approved by the Board of Directors on 27th October, 2015.
- 2) The Statutory Auditors of the Company have carried out a limited review on standalone basis of the financial results for the quarter and half year ended 30th September, 2015.
- 3) The Company's Earnings before Depreciation, Interest and Tax (EBDITA) has improved to Rs. 723.03 lacs for Q2 of F.Y. 2015-2016 as compared to Rs. 617.91 lacs for Q1 of F.Y. 2015-2016 and Rs.281.10 lacs for Q2 of F.Y. 2014-2015.
- 4.1) During the F.Y. 2013-2014, Secured Lenders (Banks) had approved the restructuring package under "Corporate Debt Restructuring Package" (CDR). The Company has not been able to generate sufficient cash flows to service the loan repayments/interest payments which resulted into Company's borrowings becoming "Non-Performing Assets" (NPAs) with most of the Banks. Such defaults entitle the CDR lenders to reverse the waiver/sacrifices granted by them. The Management is of the view that the lenders are unlikely to exercise their right. Therefore, the recompense amount on account of such waiver/sacrifices estimated at Rs. 9,155 lacs has not been provided.
- 4.2) The Company has not been able to generate sufficient cash flows as reflected by non-payment of full and final settlement dues of employees to the extent of Rs. 275.95 lacs, delay in payment of dues of interest and repayment of principal borrowings to the banks, non-banking finance company and financial institution aggregating to Rs. 65,906.42 lacs (including interest of Rs. 25,062.84 lacs), statutory dues remaining unpaid to the extent of Rs. 918.25 lacs and court cases against the Company/Directors for winding up/other legal proceedings for recovery of dues/dishonor of cheques.
- 4.3) The Management of the Company is restructuring its business operations as also those of its subsidiaries in which it has substantial investments, by –
 - * expanding the business volumes and client base,
 - * commencing the Inland Container Depot (ICD) at Khurja,
 - * infusion of funds by promoters under the CDR package.

The above steps shall enable the Company to improve its net worth and ability to generate cash flows to discharge the debts/liabilities in near future.



- 5) Assignment of loans to Asset Reconstruction Company (ARC):
- (i) Some secured lenders which were part of the CDR have assigned their respective outstanding dues to an Asset Reconstruction Company (ARC) on the same terms and conditions as applicable to the CDR lenders. The Company is pursuing with the ARC for a viable restructuring package with revised terms as to repayment of Interest and Principal. Pending finalization of the restructuring package, the Company has:
- (a) During the quarter, reversed the interest provided for the financial year ended 31st March, 2015 and Quarter ended 30th June, 2015 amounting to Rs. 6.02 lacs and Rs. 279.17 lacs respectively on loans assigned to ARC.
- (b) Not provided for interest on loans assigned to ARC for the Quarter ended 30th September, 2015. Had the Company provided for the interest on such assigned loans, the loss before tax for the Quarter would have been higher by Rs. 894.83 lacs.
- (ii) On finalization of the restructuring package, the Company will record the effect of the revised terms, as to repayment of Interest and Principal, in the period in which the restructuring package is completed.
- 6) Pursuant to the CDR Package and special resolution passed by the members of the Company on 12th May, 2014, the Company has allotted 1,02,70,000 equity shares to promoters/promoters group on preferential basis on 29th September 2015. The promoters are in the process of pledging the shares to the lenders.
- 7) The Company holds strategic and long term investments by way of equity shares in its subsidiaries, the aggregate cost of which is Rs. 83,459.72 lacs as on 30th September, 2015. The present "net asset value" of the said investments are lower than their costs of acquisition. Considering that the said investments are long-term and strategic in nature and the said subsidiaries are implementing their respective Revival Plans along with the future business plans of the Company, the Management is of the view that, the diminution in value of its investments being temporary in nature, no further provision for diminution in value is called for at this juncture, except in respect of two subsidiaries where the Company has made provision of Rs. 40.31 lacs for diminution in value of investments.
- 8) In view of absence of profits, the remuneration amounting to Rs.114.82 lacs paid/provided for FY 2013-2014 to Mr. Suhas Thakar, Ex-Executive Director, being in excess of limits prescribed under Section 198 read with Schedule XIII of the Companies Act, 1956, the Company has filed an application to the Central Government for waiver of excess remuneration paid. The said application is under consideration of the Central Government.



9) **Mark to Market Losses**

Axis Bank

During the Quarter:

- (i) The Company has terminated the cross currency swap derivative contract with Axis Bank Limited for an agreed valuation of Rs. 4,200 lacs. The Company had already provided for an amount of Rs. 2,552.19 lacs for the MTM loss up to 30th June, 2015. The balance amount of Rs. 1,647.81 lacs is accounted as an exceptional item in the Statement of Profit and Loss.
- (ii) The Company has entered into a new INR to USD Principal only Swap contract with Axis Bank Limited on 30th September, 2015, with effect from 5th October, 2015, the maturity date being 30th September, 2020 for a notional amount of Rs. 25,000 lacs (USD 380.75 lacs).

ING Vysya Bank

- (i) In respect of derivative contracts entered into by the company with ING Vysya Bank (now amalgamated with Kotak Mahindra Bank Limited w.e.f. 1st April, 2015), the bank had prematurely terminated the contracts and had demanded termination and liquidation fees aggregating to Rs. 2,875 lacs, which are disputed by the Company.
- (ii) The Company has an accumulated provision of Rs. 1,799.43 lacs on account of MTM losses on these contracts. Consequential adjustments, if any, will be made in the period in which finality of dispute is reached.

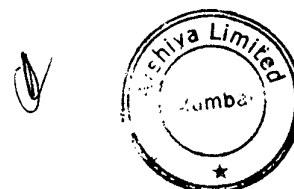
10) **Exceptional items (Net) for the current quarter are as under:**

(Rs. in lacs)

Sr. No.	Particulars	Quarter ended 30 th September, 2015
a)	Loss on termination of cross currency swap derivative contract	1,647.81
b)	Sundry creditors written back (Net)	(1.77)
TOTAL		1,646.04

Note: Figures in brackets denote items of credit nature.

- 11) Certain lenders and creditors have filed winding up petitions/cases/other legal proceedings for recovery of the amounts due to them which are at different stages before the respective judicial forums/authorities. Claims by the said lenders and creditors have been contested by the Company in those proceedings and not acknowledged as debts. It is not possible to estimate the financial implications of such claims at this juncture.
- 12) The Company is primarily engaged in developing and operating Free Trade Warehousing Zone (FTWZ). In the opinion of the Company, the entire business is governed by same set of risks and returns and hence, the same has been considered



as representing a single primary segment. The Company provides services only within India and hence, does not have any operations in economic environments with different risks and returns. Hence, it is considered that the Company is operating in a single geographical segment.

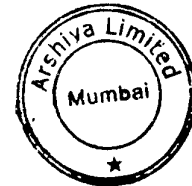
- 13) The Company provides gratuity and leave encashment (benefits) based on actuarial valuation as on 31st March. As regards the provision for benefits for the quarter ended June, September and December, the Company provides the liability on an estimate basis as per the rules applicable to its employees in this regard. The difference between the liabilities on estimate basis for the first three quarters with the liability on actuarial basis is adjusted during the last quarter / year ended 31st March of every year.
- 14) Certain balances relating to trade receivables and loans and advances outstanding as on 30th September, 2015 are subject to reconciliation and confirmation and hence the impact thereof on the accounts as up to that date is not presently ascertainable. The adjustments if any arising on account of the same shall be carried out upon completion of the process of reconciliation and confirmation.
- 15) The previous Quarter's figures have been regrouped/re-arranged, wherever necessary.

For and on behalf of Board of Directors of
Arshiya Limited



Ajay S. Mittal
Chairman and Managing Director
DIN: 00226355

Place: Mumbai
Date: 27th October, 2015



M. A. PARIKH & CO.
CHARTERED ACCOUNTANTS

AUDITOR'S REPORT

To,
The Board of Directors,
Arshiya Limited

1. We have reviewed the accompanying 'Un-audited financial statements' of Arshiya Limited ("the Company") for the quarter and half year ended 30th September 2015 hereinafter referred to as 'Statement' except for the disclosures regarding "Public Shareholding" and "Promoter and Promoter Group Shareholding" which have been traced from disclosures made by the management and have not been reviewed by us. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. This Statement has been prepared by the Company pursuant to Clause 41 of the Listing Agreement with the Stock Exchanges in India. Our responsibility is to issue a report on this Statement based on our limited review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and an analytical procedure applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
- 3.1 During the F.Y. 2013-2014, Secured Lenders (Banks) had approved the restructuring package under "Corporate Debt Restructuring Package" (CDR). The Company has not been able to generate sufficient cash flows to service the loan repayments/interest payments which resulted into Company's borrowings becoming "Non Performing Assets" (NPAs) with most of the Banks. Such defaults entitle the CDR lenders to reverse the waiver/sacrifices granted by them. The Management is of the view that the lenders are unlikely to exercise their right. Therefore, the recompense amount on account of such waiver/sacrifices estimated at Rs. 9,155 lacs has not been provided.
- 3.2 The Company has not been able to generate sufficient cash flows as reflected by non-payment of full and final settlement dues of employees to the extent of Rs. 275.95 lacs, delay in payment of dues of interest and repayment of principal borrowings to the banks, non-banking finance company and financial institution aggregating to Rs. 65,906.42 lacs (including interest of Rs. 25,062.84 lacs), statutory dues remaining unpaid



to the extent of Rs. 918.25 lacs and court cases against the Company/Directors for winding up/other legal proceedings for recovery of dues/dishonor of cheque.

4. Mark to Market (MTM) Losses:

4.1. Axis Bank

During the Quarter:

- (i) The Company has terminated the cross currency swap derivative contract with Axis Bank Limited for an agreed valuation of Rs. 4,200 lacs. The Company had already provided for an amount of Rs. 2,552.19 lacs for the MTM loss upto 30th June, 2015. The balance amount of Rs. 1,647.81 lacs is accounted as an exceptional item in the Statement referred to in para 1.
- (ii) The Company has entered into a new INR to USD Principal only Swap contract with Axis Bank Limited on 30th September, 2015, with effect from 5th October, 2015, the maturity date being 30th September, 2020 for a notional amount of Rs. 25,000.00 lacs (USD 380.75 lacs).

4.2. ING Vysya Bank

- (i) In respect of derivative contracts entered into by the company with ING Vysya Bank (now amalgamated with Kotak Mahindra Bank Limited w.e.f. 1st April, 2015), the bank had prematurely terminated the contracts and had demanded termination and liquidation fees aggregating to Rs. 2,875 lacs, which are disputed by the Company.
- (ii) The Company has an accumulated provision of Rs. 1,799.43 lacs on account of MTM losses on these contracts. Consequential adjustments, if any, will be made in the period in which finality of dispute is reached.

5. The Company holds strategic and long term investments by way of equity shares in its subsidiaries, the aggregate cost of which is Rs. 83,459.72 lacs as on 30th September, 2015. The present "net asset value" of the said investments are lower than their costs of acquisition. Considering that the said investments are long-term and strategic in nature and the said subsidiaries are implementing their respective Revival Plans along with the future business plans of the Company, the Management is of the view that, the diminution in value of its investments being temporary in nature, no further provision for diminution in value is called for at this juncture, except in respect of two subsidiaries where the Company has made provision of Rs. 40.31 lacs for diminution in value of investments.

6. Assignment of loans to Asset Reconstruction Company (ARC):
- (i) Some secured lenders which were part of the CDR have assigned their respective outstanding dues to an Asset Reconstruction Company (ARC) on the same terms and conditions as applicable to the CDR lenders. The Company is pursuing with the ARC for a viable restructuring package with revised terms as to repayment of Interest and Principal. Pending finalization of the restructuring package, the Company has:
- (a) During the quarter, reversed the interest provided for the financial year ended 31st March, 2015 and Quarter ended 30th June, 2015 amounting to Rs. 6.02 lacs and Rs. 279.17 lacs respectively on loans assigned to ARC.
- (b) Not provided for interest on loans assigned to ARC for the Quarter ended 30th September, 2015. Had the Company provided for the interest on such assigned loans, the loss for the Quarter would have been higher by Rs. 894.83 lacs.
- (ii) On finalization of the restructuring package, the Company will record the effect of the revised terms as to repayment of Interest and Principal in the period in which restructuring package is completed.
7. Remuneration of Rs. 114.82 lacs paid/provided to the Executive Director for F.Y. 2013-14:
The Company has filed an application to the Central Government for waiver of excess remuneration paid. The said application is under consideration of the Central Government. Refer Note 8 of the Statement referred to in para 1.
8. The Company provides gratuity and leave encashment (benefits) based on actuarial valuation as on 31st March. As regards the provision for benefits for the quarter ended June, September and December, the Company provides the liability on an estimate basis as per the rules applicable to its employees in this regard. The difference between the liability on estimate basis for the first three quarters with the liability on actuarial basis is adjusted during the last quarter / year ended 31st March of every year.
9. Certain lenders and creditors have filed winding up petitions/cases/other legal proceedings for recovery of the amounts due to them which are at different stages before the respective judicial forums/authorities. Claims by the said lenders and creditors have been contested by the Company in those proceedings and not acknowledged as debts. It is not possible to estimate the financial implications of such claims at this juncture.

9/11

10. Certain balances relating to trade receivables and loans and advances outstanding as on 30th September, 2015 are subject to reconciliation and confirmation and hence the impact thereof on the accounts as up to that date is not presently ascertainable. The adjustments if any arising on account of the same shall be carried out upon completion of the process of reconciliation and confirmation.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared, in all material aspects, in accordance with applicable Accounting Standards as per section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, except as referred to the extent as referred to in Note no. 6 (ii) above, and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

For M. A. Parikh & Co.
Chartered Accountants
Firm Reg. No. 107556W



Mukul M. Patel
Partner
Membership No: 32489

Place: Mumbai
Date: 27th October, 2015