Arshiya

Ref: AL/SE/0218/03

Date: 14th February, 2018

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block,
Bandra- Kurla Complex,
Bandra (East),
Mumbai - 400051.
Fax No. 2659 8237 / 38

Corporate Relationship Department
Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers,
2nd Floor, Dalal Street,
Mumbai – 400 001
Fax No. 2272 3121/ 2037

Re.: - Arshiya Limited – NSE Scrip Name: ARSHIYA
BSE Scrip Code: 506074

Sub: Outcome of the Board Meeting and submission of Unaudited Financial Results for the Quarter and Nine Months ended 31st December, 2017

Dear Sir/Madam,

This is to inform you that the Board of Directors of the Company at its meeting held today, have considered, approved and taken on record the Unaudited Financial Results (Standalone and Consolidated) for the Quarter and Nine Months ended 31st December, 2017.

Pursuant to Regulation 30 and 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the Unaudited Financial Results (Standalone and Consolidated).

This is for your information and record.

The Meeting of the Board of Directors commenced at 02:00 P.M. and ended at 06.15 P.M.

Thanking you.

Yours faithfully,
For ARSHIYA LIMITED

S. Maheshwari
Chief Financial Officer

Arshiya Limited
Mumbai

INDEPENDENT AUDITORS' REVIEW REPORT

TO THE BOARD OF DIRECTORS OF ARSHIYA LIMITED

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **ARSHIYA LIMITED** ("the Company") for the quarter and nine months ended 31st December 2017 ("the Statement") being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with Circular No. CIR/CFD/FAC/62/2016 dated 5th July 2016.

2. The preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting (Ind AS - 34) prescribed under section 133 of the Companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015 and SEBI Circular No. CIR/CFD/FAC/62/2016 dated 5th July 2016 is the responsibility of the Company's management and has been approved by the Board of Directors of the Company. Our responsibility is to issue a report on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (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 Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures 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.

*4. **Basis for Qualified Conclusion***

4.1 As mentioned in Note no. 10 of the Statement, as per debt covenant of Restructuring Agreement (RA) the Company is required to adhere to repayment schedule and such event of default gives Edelweiss Assets Reconstruction Company Limited (EARC) right to convert whole of the outstanding amount of restructured rupee loan and/or part of the default amount into fully paid up equity shares of the Company. Pending exercise of conversion right, the Company continues to disclose such amount as borrowing and provide for interest. Further, the Company is also liable to pay penal interest amounting to Rs. 641.55 Lakh and Rs. 1994.82 Lakh for the quarter and nine months ended 31st December 2017, respectively, as per provisions of RA. No provision for such interest is made in the books of account.

CHATURVEDI & SHAH MUMBAI CHARTERED ACCOUNTANTS

4.2 *We draw attention to the Note no. 11 of the Statement, wherein it is mentioned that lenders of the one subsidiary have invoked corporate guarantee given by the Company and no accounting impact of the same is recognised in the books of account pending settlement of the matter, we are unable to comment on the consequential impact, if any, on financial results for the period ended 31st December 2017.*

5. **Emphasis of Matter**

5.1 We draw attention to the Note no. 13 of the Statement, wherein it is mentioned that Company is incurring losses and unable to meet its financial obligations. In view of various steps taken by the management of Company, future outlook as assessed by the management and the business plans, the statement has been prepared on going concern basis.

5.2 We draw attention to the Note no. 14 of the Statement, reconciliation and balance confirmations of certain borrowing, trade receivables, loan and advances are not available. The accounting impact of variations, if any, will be accounted as and when the matter is settled.

Our conclusion is not modified in respect of the said above matters.

6. Based on our review conducted as above, *except for possible effects of our observations described in the Basis of Qualified Conclusion paragraph 4 above* and read with our comments in paragraph 5 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the applicable Indian Accounting Standards ("Ind-AS") specified under section 133 of the Companies Act, 2013, read with relevant rules issued there under and other recognised accounting practices and principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated 5th July 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

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7. Other matter

The Company had prepared the unaudited standalone financial results for corresponding periods ended 31st December 2016 included in the Statement in accordance with the Companies (Accounting Standards) Rules, 2006 referred to in Section 133 of the Act, on which M. A. Parikh & Co., Chartered Accountants (Firm registration no. 107556W) had issued an unmodified conclusion vide their review report dated 8th February 2017. The financial information for the quarter and nine months ended 31st December 2016, are based on the previously reviewed financial results prepared in accordance with the Companies (Accounting Standards) Rules, 2006 as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been reviewed by us. Our conclusion is not modified in respect of the said matter.

For Chaturvedi & Shah
Chartered Accountants
(Firm Registration Number: 101720W)

Napawaliya

CHATURVEDI & SHAH MUMBAI CHARTERED ACCOUNTANTS

Vijay Napawaliya
Partner
Membership Number: 109859

Place: Mumbai
Date: 14th February 2018

Arshiya Limited

CIN: L93000MH1981PLC024747

Registered Office: 302, Level 3, Ceejay House, Shiv Sagar Estate, F-Block,
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 NINE MONTHS ENDED ON 31ST DECEMBER, 2017

(Rs. in Lakh)

Sr.No.	Particulars	Quarter Ended			Nine Months Ended	
		31.12.2017	30.09.2017	31.12.2016	31.12.2017	31.12.2016
1	**Income**					
	(a) Revenue from operations	2,491.62	2,404.27	2,114.08	6,711.00	6,069.25
	(b) Other Income	196.32	195.00	241.40	621.42	711.36
	Total Income	**2,687.94**	**2,599.27**	**2,355.48**	**7,332.42**	**6,780.61**
2	**Expenses**					
	(a) Material Handling and Other Charges	88.40	100.94	88.90	279.16	231.87
	(b) Employee benefits expense	364.68	364.45	337.67	1,098.42	1,031.83
	(c) Finance costs	2,921.40	4,185.95	3,019.69	10,855.15	10,455.35
	(d) Depreciation and amortization expense	781.02	432.78	714.00	1,646.96	1,673.21
	(e) Other expenses	398.27	319.09	292.22	1,018.87	917.35
	Total Expenses (a+b+c+d+e)	**4,553.77**	**5,403.21**	**4,452.48**	**14,898.56**	**14,309.61**
3	**Profit/(Loss) before exceptional items and Tax (1-2)**	**(1,865.83)**	**(2,803.94)**	**(2,097.00)**	**(7,566.14)**	**(7,529.00)**
4	Exceptional Items (Net) (Refer Note No.16)	(1,501.31)	(558.47)	1,123.40	(2,033.63)	1,210.63
5	**Profit/(Loss) before tax (3-4)**	**(364.52)**	**(2,245.47)**	**(3,220.40)**	**(5,532.51)**	**(8,739.63)**
6	Tax expense	-	-	-	-	-
7	**Net profit/(Loss) after Tax (5-6)**	**(364.52)**	**(2,245.47)**	**(3,220.40)**	**(5,532.51)**	**(8,739.63)**
8	**Other Comprehensive Income**					
	Items that will not be reclassified to profit and loss:					
	Remeasurement of net defined benefit plan	(2.26)	(2.25)	(2.26)	(6.77)	(6.77)
9	**Total Comprehensive Income**	**(366.78)**	**(2,247.72)**	**(3,222.66)**	**(5,539.28)**	**(8,746.40)**
10	**Paid-up equity share capital (Face value per share Rs. 2/-)**	**4,456.84**	**3,123.59**	**3,123.59**	**4,456.84**	**3,123.59**
11	**Earnings Per Equity Share (EPS) (not annualised)**					
	- Basic	(0.19)	(1.44)	(2.06)	(3.27)	(5.60)
	- Diluted	(0.19)	(1.44)	(2.06)	(3.27)	(5.60)

CHATURVEDI & SHAH MUMBAI CHARTERED ACCOUNTANTS

Arshiya Limited Mumbai

Arshiya Limited

CIN: L93000MH1981PLC024747

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

Notes to Standalone Results:-

1. The Audit Committee has reviewed the above results and the Board of Directors has approved the above results and its release on 14th February 2018. The statutory auditors of the Company have carried out limited review for the quarter and nine months ended 31st December 2017.

2.1 The Financial Results of the Company have been prepared in accordance with Companies (Indian Accounting Standards) Rules, 2015, as amended, (Ind AS) prescribed under section 133 of the Companies Act, 2013. The Company has adopted Ind AS from 1st April 2017 with a transition date of 1st April 2016. Accordingly the comparative figures for the quarter and nine months ended 31st December 2016 have been restated as per Ind AS.

2.2 The financial results do not include figures for the previous year ended 31st March 2017. Further, the Company will provide reconciliation of its equity for the previous year ended 31st March 2017 at the time of submitting the audited financial results for the year ended 31st March 2018 as per SEBI circular no. CIR/CFD/FAC/2016 dated 5th July 2016.

3. Reconciliation of net loss as reported in previous GAAP to Ind AS is as under:-

		(Rs. in Lakh)
Particulars	**Quarter ended 31st December 2016**	**Nine months ended 31st December 2016**
Net Loss as reported under previous GAAP	(3,163.94)	(9,013.74)
Add / Less :- Adjustments under Ind AS		
Fair value of loan to subsidiaries	41.41	124.23
Fair value of financial guarantees	189.88	569.65
Fair value of financial instrument	(57.19)	(196.47)
Actuarial loss on defined benefit plan reclassified to other comprehensive income (OCI)	2.26	6.77
Expected credit loss on financial assets	(2.65)	(4.14)
Prior period item adjusted	(230.17)	(225.93)

CHATURVEDI & SHAH MUMBAI CHARTERED ACCOUNTANTS

Arshiya Limited Mumbai

Net loss before OCI as per Ind AS	**(3,220.40)**	**(8,739.63)**
Other Comprehensive Income (OCI):- Measurement of actuarial gain on defined benefit plans	(2.26)	(6.77)
Total Comprehensive Income as reported under Ind AS	**(3,222.66)**	**(8,746.40)**

4. During the quarter ended 31st December 2017, the Company, *interalia*, its subsidiaries, promoters, have executed Share Purchase Agreement with Ascendas Property Fund (India) Pte Ltd ('Ascendas') for sale of 100% of it's equity holding, having Rs. 5 Lakh paid up equity capital, in Arshiya Rail Siding and Infrastructure Limited (i.e. a step-down subsidiary/"SPV'), for a consideration of Rs. 5 Lakh. This SPV holds the status of a co-developer. The proposed transaction, as per agreement, involves various other transactions such as execution of lease deed, sub-lease deed, etc. Pending receipts of consideration during quarter ended 31st December 2017, no accounting impact is given in the books of account.

   Subsequent to quarter ended 31st December 2017, the Company, *interalia*, it's subsidiaries, promoters, have executed Lease Deed on 3rd February 2018, with above mentioned SPV of Ascendas for grant of leasehold rights of six warehouses at FTWZ Panvel, underlying land of those warehouses, identified assets and infrastructure facilities at FTWZ Panvel on initial lease term of 30 (thirty) years. The said transaction is for a total consideration of Rs. 53,400 Lakh, which includes upfront lease payment / lump sum rent of Rs. 43,400 Lakh. Balance amount of Rs. 10,000 Lakh will be received over four years from the transaction closing date, based on certain performance milestones.

   On transaction closing date of 3rd February 2018, the SPV has acquired long-term leasehold rights from the Company and the same are leased back, pursuant to execution of sub-lease deed dated 3rd February 2018, to Arshiya Lifestyle Limited ("ALL"), wholly owned subsidiary of the Company, for a sub-lease term of 6 (six) years, renewable as per mutually agreed terms, at consideration of pre-agreed rentals. ALL would operate and manage the warehouses, retain the surplus income from rentals and value added services post payment of pre agreed rentals.

   Since above agreements executed post current quarter, no accounting impact given in the books of the account during the period ended 31st December 2017.

5. The Company has agreed on revised consent terms with a Bank during the quarter ended 31st December 2017. Pursuant to revised consent term the Bank has agreed to settle the entire outstanding dues against lump sum one time full and final payment of Rs. 7,000 Lakh. The Company has received waivers for interest and also for issuing additional equity shares to the said Bank as was earlier agreed amounting to Rs. 1,501.29 Lakh. As a result, interest provided during period ended 30th September 2017 amounting to Rs.

CHATURVEDI & SHAH MUMBAI CHARTERED ACCOUNTANTS

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817.38 Lakh have been reversed and netted off against finance cost. Loan convertible into equity shares of Rs. 1,501.29 Lakh is reversed and disclosed as exceptional items during quarter and period ended 31st December 2017.

6. A Public Financial Institution (PFI) agreed to settle their outstanding loan constituting principle and interest of Rs. 16,700 Lakh. Settlement terms and conditions involves payment of Rs. 5,000 Lakh and for balance amount of Rs. 11,700 Lakh, allotment of Optionally Convertible Redeemable Preference Shares - V (OCRPS - V), convertible into equity shares upto 15,50,000 at the option of PFI. Pending payment and necessary compliances for allotment of OCRPS, no accounting effects are given during the period ended 31st December 2017. On 29th January 2018, shareholders in an Extra Ordinary General Meeting (EOGM) approved allotment of 11,70,000 OCRPS – V which is convertible upto 15,50,000 equity shares.

7. The Company has agreed to issue equity shares aggregating to Rs. 1160.00 Lakh in accordance with agreement with a Bank for part conversion of crystallized liability due to the Bank. Shareholders in an Extra Ordinary General Meeting (EOGM) held on 29th January 2018 approved allotment of upto 10,50,000 Equity shares.

8. Loans from various lenders have been assigned by banks to Edelweiss Assets Reconstruction Company Limited (EARC). EARC had restructured the loan and executed the Restructuring Agreement (RA) dated 31st March, 2017. In accordance with RA, EARC has converted part debt into restructured debt, balance assigned loan is to be converted into 3,21,62,304 equity shares and 64,23,329 zero percent optionally convertible redeemable preference shares (OCRPS – Series I) of face value of Rs.10 each at a price of Rs.1,000 each (including premium of Rs.990) of the Company, as per extant SEBI rules and regulations.

   Certain lenders of wholly owned subsidiaries viz, Arshiya Rail Infrastructure Limited (ARIL), Arshiya Northern FTWZ Limited (ANFL) and Arshiya Industrial Hub Limited (AIDHL) have also assigned their loan to EARC pursuant to Restructuring Agreement executed by respective subsidiaries dated 31st March 2017. Loan amounting to Rs. 43,200 Lakh have been restructured by allotment of 43,20,000 zero percent optionally convertible redeemable preference shares (OCRPS Series II / Series III / Series IV) of face value of Rs. 10 each at a price of Rs. 1000 each (including premium of Rs. 990) of the Company. These OCRPS are allotted to EARC in exchange of OCRPS of subsidiaries issued to EARC. These OCRPS have right of conversion into equity shares of Company at the option of EARC. On conversion the entire amount of OCRPS Series II / Series III / Series IV shall be adjusted against allotment of 1,19,11,962 equity shares of Company to EARC.

   During the quarter ended 31st December 2017:-

CHATURVEDI & SHAH MUMBAI CHARTERED ACCOUNTANTS

Arshiya Limited Mumbai

(i) In aggregate 4,56,62,304 equity shares of 2 each (including equity shares on conversion of OCRPS Series I, II, III and IV) have been allotted to EARC.

(ii) Pursuant to RA, the promoters of the Company have also been allotted 1,85,00,000 equity shares, including 85,00,000 equity shares allotted on conversion of 85,00,000 warrants out of 1,00,00,000 warrants issued.

(iii) Allotted 25,00,000 equity shares on conversion of warrants to non-promoters.

Post allotment of equity shares as mentioned above, paid up equity share capital of Company is Rs. 4456.84 Lakh comprising of 22,28,41,776 equity shares of Rs. 2 each.

9. Shareholders at the Extra Ordinary General Meeting held on 29th January, 2018 approved the issuance of 27,75,000 Equity Shares (of face value Rs 2 each) on preferential basis at a price of Rs 110 per share (including premium of Rs 108) as per SEBI ICDR Regulations. The allotment of above securities is under process of issuance and no accounting impact of the same is given during the period ended on 31st December 2017.

10. The Company has defaulted / delayed in compliance of certain terms and conditions of RA. The Company has made partial repayment as agreed in amortisation schedule of RA during the nine months ended 31st December 2017. As per debt covenant, the Company is required to adhere to repayment schedule and such event of default gives EARC right to convert whole of the outstanding amount of restructured rupee loan and/or part of the default amount into fully paid up equity shares of the Company. No such notice of conversion in writing has been given by the EARC to the Company and the Company continues to disclose amount bifurcated between non-current borrowing and current maturity of borrowing, as per repayment schedule, in the Balance Sheet.

The Company has requested EARC to grant necessary extension for repayment period. Further, the Company is also liable to pay penal interest amounting to Rs. 641.55 Lakh and Rs. 1994.82 Lakh, which has not been provided for during the quarter and nine months ended 31st December 2017, respectively.

Had the Company provided the penal interest as mentioned, Total Comprehensive Income (Loss) for quarter and nine months period ended would have been lower to that extent. This matter has been qualified by the Auditors in their review report.

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Arshiya Limited Mumbai

11. The Company has given corporate financial guarantees aggregating to Rs. 32,021 Lakh, to the lead bank on behalf of consortium banks of Arshiya Northern FTWZ Limited (ANFL), a wholly owned subsidiary. This subsidiary has defaulted in repayment of their loan obligations and lenders have invoked corporate guarantees given by company and initiated recovery of outstanding dues in respect of guarantees extended / executed by the Company. As per invocation notices received, dues are of Rs 17,450.63 Lakh, after restructuring of certain borrowing. Notice of possession under power conferred on the Bank u/s 13(4) of Securities and Reconstruction of Financial Assets and Enforcement of Security Interest Act (SARFAESI), 2002 read with rule 8 (i) of Security Enforcement Rules, 2002 is also received. The subsidiary has requested Banks to withdraw the various statutory notices and support its revival efforts. The Company is yet to assess the changes in risk / expected cash shortfall to determine expected credit loss allowance to be recognised in respect of these financial guarantees. No accounting impact of the same is recognised in the books of account at this stage pending settlement of matter. This matter has been qualified by the Auditors in their review report.

12. In respect of consent terms with Edelweiss Assets Reconstruction Company Limited (EARC) and a Non Baking Finance Company (NBFC), the Company was in process of negotiation for revised terms. The Company had agreed revised Consent Terms (CT) with EARC and NBFC in respect of settlement of borrowing. These revised CT mainly stipulates revised "Schedule of Payments" and penal interest.

13. The Company is incurring losses, unable to meet its financial obligations and to fund various obligations pertaining to operations. Certain lenders have recalled the loans given and called upon to pay entire dues and other liabilities and have invoked the personal guarantee of promoter directors. Certain lenders and creditors have also initiated legal proceeding against the Company and its directors for recovery of the amount due, however in these cases settlement terms are agreed and in the process of filing consent terms. These circumstances indicate Company's inability to generate sufficient cash flows to discharge the debts and liabilities.

    As mentioned in note no. 4 the Company has given its warehouses on long term lease basis and received upfront lease payments. The management has also initiated various other steps such as construction funding and future development within FTWZ, restructuring Company's and subsidiaries business operations by increasing private freight terminal operations and to enter into domestic warehousing, to expand the business volumes by changing product mix, entering into long term business agreements with various leading shipping lines, improvement of the inland container depot operations at Khurja, etc. Considering the strength of Company's locational advantages, future outlook as assessed by the management and business plan, the Company is confident to continue as a going concern. The long term prospects of the Company, however, are dependent on various factors. Financial results have accordingly been continued to be prepared on going

CHATURVEDI & SHAH MUMBAI CHARTERED ACCOUNTANTS

Arshiya Limited Mumbai

concern basis. This matter has been referred to, by the auditors in their review report as emphasis of matter.

14. Certain borrowings, trade receivables and loan and advances given are subject to reconciliation and confirmation, hence impact, if any, is presently not ascertainable. Further, borrowings, interest and other charges have been accounted on the basis of information available with the Company and its understanding of sanction letters / agreements.

    The accounting impact of the above, if any, shall be carried out upon completion of reconciliation / settlement. This matter has been referred to, by the auditors in their review report as emphasis of matter.

15. The Company has elected to apply Indian GAAP carrying amount as deemed cost on the date of transition to Ind AS for its equity investments in subsidiaries. These subsidiaries are implementing their respective business restructuring and revival plans, hence based on the assessment carried out by the management of the Company, no impairment loss on investment in subsidiaries is considered necessary.

16. Exceptional item for the nine months ended 31st December 2017 represents net amount of additional liability accounted of Rs. 1,629.12 Lakh and reversal of liability of Rs. 3,662.73 Lakh, on litigation settlement and restructuring of liabilities / borrowings.

17. Net deferred tax asset is not recognised as there is no convincing evidence that sufficient taxable profit will be available against which the unused tax losses will be utilised by the Company.

18. The Company is primarily engaged in developing and operating free trade warehousing zone (FTWZ) which constitutes single reportable segment in accordance with Ind AS 108 "Operating Segment". There is no separate reportable segment.

19. The figures for the previous period/year have been re-grouped / re-classified/ re-arranged, wherever necessary, to correspond with the current period's classification/disclosure.

For and on behalf of Board of Directors of
Arshiya Limited

Arshiya Limited Mumbai

CHATURVEDI & SHAH CHARTERED ACCOUNTANTS MUMBAI

Ashishkumar Bairagra
Director
DIN - 00049591

Place: Mumbai
Date: 14th February 2018

Arshiya Limited

CIN: L93000MH1981PLC024747

Registered Office: 302, Level 3, Ceejay House, Shiv Sagar Estate, F-Block,
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Phone No. 022 42305500 # Email id: info@arshiyalimited.com # website: www.arshiyalimited.com

UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED ON 31ST DECEMBER, 2017

(Rs. In Lakh)

Sr.No.	Particulars	Quarter Ended			Nine Months Ended	
		31.12.2017	30.09.2017	31.12.2016	31.12.2017	31.12.2016
1	**Revenue**					
	(a) Revenue from operations	5,824.67	6,129.77	6,472.61	19,320.82	19,149.56
	(b) Other Income	125.91	207.67	207.91	517.71	482.05
	Total Income	**5,950.58**	**6,337.44**	**6,680.52**	**19,838.53**	**19,631.61**
2	**Expenses**					
	(a) Material Handling and Other Charges	168.96	133.93	113.00	460.91	507.91
	(b) Freight Expenses	2,364.55	2,734.38	3,085.96	9,151.59	9,359.31
	(c) Terminal Expenses	71.30	69.77	96.18	218.88	298.25
	(d) Other Operating Expenses	78.30	80.20	138.35	218.39	350.10
	(e) Employee benefits expense	915.77	937.10	880.53	2,777.36	2,681.88
	(f) Finance costs	7,648.21	9,030.50	7,252.38	25,220.73	23,382.33
	(g) Depreciation and amortization expense	3,529.70	2,105.96	3,613.34	7,726.66	8,152.96
	(h) Other expenses	1,160.90	976.52	1,202.80	3,234.30	2,939.16
	Total Expenses	**15,937.69**	**16,068.36**	**16,382.54**	**49,008.82**	**47,671.90**
3	**Profit/(Loss) befor exceptional and Tax (1-2)**	**(9,987.11)**	**(9,730.92)**	**(9,702.02)**	**(29,170.29)**	**(28,040.29)**
4	Exceptional Items (Net) (Refer Note No. 17)	(1,501.31)	(558.47)	1,124.23	(2,033.63)	2,409.37
5	**Profit/(Loss) before tax (3-4)**	**(8,485.80)**	**(9,172.45)**	**(10,826.25)**	**(27,136.66)**	**(30,449.66)**
6	Tax expense	-	38.80	-	38.80	-
7	**Net profit/(Loss) after Tax (5-6)**	**(8,485.80)**	**(9,211.25)**	**(10,826.25)**	**(27,175.46)**	**(30,449.66)**
8	**Other Comprehensive Income**					
	Item that will not be reclassified to profit and loss:					
	Remeasurement of gains (losses) on defined benefit plans	(4.81)	(5.00)	(3.68)	(9.81)	(11.04)
9	**Total Comprehensive Income**	**(8,490.61)**	**(9,216.25)**	**(10,829.93)**	**(27,185.27)**	**(30,460.70)**
10	**Paid-up equity share capital (Face value per share Rs. 2)**	**4,456.84**	**3,123.59**	**3,123.59**	**4,456.84**	**3,123.59**
11	**Earnings Per Share (EPS) (not annualised)**					
	- Basic	(4.34)	(5.90)	(6.93)	(16.04)	(19.50)
	- Diluted	(4.34)	(5.90)	(6.93)	(16.04)	(19.50)

Arshiya Limited Mumbai

Arshiya Limited

CIN: L93000MH1981PLC024747
Registered Office: 302, Level 3, Ceejay House, Shiv Sagar Estate, F-Block,
Dr. Annie Besant Road, Worli, Mumbai- 400 018
Phone No. 022 42305500 # Email id: info@arshiyalimited.com # website: www.arshiyalimited.com

UNAUDITED CONSOLIDATED SEGMENT INFORMATION FOR THE QUARTER AND NINE MONTHS ENDED ON 31ST DECEMBER, 2017

(Rs. in Lakh)

Sr. No.	Particulars	Quarter Ended			Nine Months Ended	
		31.12.2017	30.09.2017	31.12.2016	31.12.2017	31.12.2016
1	**Segment Revenue**					
	FTWZ/ICD	2,948.30	3,032.32	2,863.82	8,944.43	8,340.27
	Rail Transport Operations	2,876.37	3,097.45	3,620.80	10,399.87	10,821.30
	Less: Inter Segment	-	-	(12.01)	(23.48)	(12.01)
	Total Revenue from Operations	**5,824.67**	**6,129.77**	**6,472.61**	**19,320.82**	**19,149.56**
2	**Segment Results Before Tax and Interest**					
	FTWZ/ICD	(1,312.67)	590.43	(1,089.35)	(754.92)	(753.36)
	Rail Transport Operations	(840.64)	(733.89)	(989.99)	(2,294.17)	(2,794.38)
	Total	**(2,153.31)**	**(143.46)**	**(2,079.34)**	**(3,049.09)**	**(3,547.74)**
	Less: Unallocated Expenses net of Income	185.59	556.96	370.30	900.47	1,110.22
	Less: Finance Costs	7,648.21	9,030.50	7,252.38	25,220.73	23,382.33
	Less: Exceptional Items (Net)	(1,501.31)	(558.47)	1,124.23	(2,033.63)	2,409.37
	Profit/(Loss) before tax	**(8,485.80)**	**(9,172.45)**	**(10,826.25)**	**(27,136.66)**	**(30,449.66)**
3	**Segment Assets**					
	FTWZ/ICD	2,74,490.95	2,79,522.42	2,77,854.66	2,74,490.95	2,77,854.66
	Rail Transport Operations	54,293.57	54,685.73	57,613.89	54,293.57	57,613.89
	Unallocated	13.33	16.58	750.60	13.33	750.60
	TOTAL	**3,28,797.85**	**3,34,224.73**	**3,36,219.15**	**3,28,797.85**	**3,36,219.15**
4	**Segment Liabilities**					
	FTWZ/ICD	2,40,401.15	2,52,950.73	3,33,352.16	2,40,401.15	3,33,352.16
	Rail Transport Operations	61,302.22	60,690.39	70,744.02	61,302.22	70,744.02
	Unallocated	36.82	32.14	131.74	36.82	131.74
	TOTAL	**3,01,740.19**	**3,13,673.26**	**4,04,227.92**	**3,01,740.19**	**4,04,227.92**

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Arshiya Limited

CIN: L93000MH1981PLC024747

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

Notes to Consolidated Results:-

1. The aforesaid Consolidated Financial Results for the Arshiya Limited (Parent Company) and its Subsidiaries (together referred to as the 'Group') were reviewed by Audit Committee of the Board and subsequently approved by the Board of Directors of the Parent Company at its meeting held on 14th February 2018. The results are being presented as additional information though the Parent Company is entitled to the exemption under SEBI circular dated 5th July 2016.

2.1 The Consolidated Financial Results of the Group have been prepared in accordance with Companies (Indian Accounting Standards) Rules, 2015, as amended, (Ind AS) prescribed under section 133 of the Companies Act, 2013. The Group has adopted Ind AS from 1st April 2017 with a transition date of 1st April 2016. Accordingly, the comparative figures for the quarter and nine months ended 31st December 2016 have been restated by the management as per Ind AS.

2.2 The Consolidated Financial Results do not include figures for the previous year ended 31st March 2017. Further, the Group will provide reconciliation of its equity for the previous year ended 31st March 2017 at the time of submitting the audited consolidated financial results for the year ended 31st March 2018 as per SEBI circular no. CIR/CFD/FAC/2016 dated 5th July 2016.

3. Reconciliation of net loss as reported in previous GAAP to Ind AS is as under:-

		(Rs. in Lakh)
Particulars	**Quarter ended 31st December 2016**	**Half Year ended 31st December 2016**
Net Loss as reported under previous GAAP	(9,500.68)	(28,935.55)
Add / Less :- Adjustments under Ind AS		
Revenue recognition as per percentage of completion method (net)	15.71	7.56
Increase in depreciation due to recognition of grant for duty saved on PPE	(91.38)	(274.12)
Government grant – income	91.38	274.12
Fair value of financial instrument	(58.66)	(232.89)
Actuarial loss on defined benefit plan reclassified to other comprehensive income (OCI)	3.68	11.04
Expected credit loss on financial assets	21.82	(19.34)

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Prior period item adjusted	(1,307.02)	(1,277.15)
Other adjustment	(1.10)	(3.33)
Net loss before OCI as per Ind AS	**(10,826.25)**	**(30,449.66)**
Other Comprehensive Income (OCI):- Measurement of actuarial gain on defined benefit plans	(3.68)	(11.04)
Total Comprehensive Income as reported under Ind AS	**(10,829.93)**	**(30,460.70)**

4. During the quarter ended 31st December 2017, the Parent Company, *interalia*, its subsidiaries, promoters, have executed Share Purchase Agreement with Ascendas Property Fund (India) Pte Ltd ('Ascendas') for sale of 100% of it's equity holding, having Rs. 5 Lakh paid up equity capital, in Arshiya Rail Siding and Infrastructure Limited (i.e. a step-down subsidiary/"SPV'), for a consideration of Rs. 5 Lakh. This SPV holds the status of a co-developer. The proposed transaction, as per agreement, involves various other transactions such as execution of lease deed, sub-lease deed, etc. Pending receipts of consideration during quarter ended 31st December 2017, no accounting impact is given in the books of account.

   Subsequent to quarter ended 31st December 2017, the Parent Company, *interalia*, it's subsidiaries, promoters, have executed Lease Deed on 3rd February 2018, with above mentioned SPV of Ascendas for grant of leasehold rights of six warehouses at FTWZ Panvel, underlying land of those warehouses, identified assets and infrastructure facilities at FTWZ Panvel on initial lease term of 30 (thirty) years. The said transaction is for a total consideration of Rs. 53,400 Lakh, which includes upfront lease payment / lump sum rent of Rs. 43,400 Lakh. Balance amount of Rs. 10,000 Lakh will be received over four years from transaction closing date, based on certain performance milestones.

   On transaction closing date of 3rd February 2018, the SPV has acquired long-term leasehold rights from the Parent Company and the same are leased back, pursuant to execution of sub-lease deed dated 3rd Febuary,2018, to Arshiya Lifestyle Limited ("ALL"), a wholly owned subsidiary of the Company, for a sub-lease term of 6 (six) years, renewable as per mutually agreed terms, at consideration of pre-agreed rentals. ALL would operate and manage the warehouses, retain the surplus income from rentals and value added services post payment of pre agreed rentals.

   Since above agreements are executed post current quarter, no accounting impact given in the books of the account during the period ended 31st December 2017.

5. The Parent Company has agreed on revised consent terms with a Bank during the quarter ended 31st December 2017. Pursuant to revised consent term the Bank has agreed to settle the entire outstanding dues against lump sum one time full and final payment of Rs. 7,000 Lakh. The company has received waivers for interest and also for issuing additional equity shares to the said Bank as was earlier agreed amounting to Rs. 1,501.29 Lakh. As a result, interest provided during period ended 30th September 2017 amounting to Rs. 817.38 Lakh have been reversed and netted off against finance cost. Loan convertible into equity shares of Rs. 1,501.29 Lakh is reversed and disclosed as exceptional items during quarter and period ended 31st December 2017.

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6. A Public Financial Institution (PFI) agreed to settle their outstanding loan constituting principle and interest of Rs. 16,700 Lakh. Settlement terms and conditions involves payment of Rs. 5,000 Lakh and for balance amount of Rs. 11,700 Lakh, allotment of Optionally Convertible Redeemable Preference Shares- V (OCRPS-V), convertible into equity shares upto 15,50,000 equity shares at the option of PFI. Pending payment and necessary compliances for allotment of OCRPS, no accounting effects are given during the period ended 31st December 2017. On 29th January, 2018, shareholders in an Extra Ordinary General Meeting (EOGM) approved allotment of 11,70,000 OCRPS – V which is convertible into upto 15,50,000 equity shares.

7. The Parent Company has agreed to issue equity shares aggregating to Rs. 1,160 Lakh in accordance with agreement with a Bank for part conversion of crystallized liability due to the Bank. Shareholders of Parent Company in an Extra Ordinary General Meeting (EOGM) held on 29th January 2018 approved allotment of upto 10,50,000 Equity shares.

8. Loans from various lenders have been assigned by Banks to Edelweiss Assets Reconstruction Company Limited (EARC). EARC had restructured the loan and executed the Restructuring Agreement (RA) dated 31st March, 2017. In accordance with RA, EARC has converted part debt into restructured debt, balance assigned loan is to be converted into 3,21,62,304 equity shares and 64,23,329 zero percent optionally convertible redeemable preference shares (OCRPS – Series I) of face value of Rs.10 each at a price of Rs.1,000 each (including premium of Rs.990) of the Parent Company, as per extant SEBI rules and regulations.

   Certain lenders of wholly owned subsidiaries viz, Arshiya Rail Infrastructure Limited (ARIL), Arshiya Northern FTWZ Limited (ANFL) and Arshiya Industrial Hub Limited (AIDHL) have also assigned their loan to EARC pursuant to Restructuring Agreement executed by respective subsidiaries dated 31st March 2017. Loan amounting to Rs. 43,200 Lakh have been restructured by allotment of 43,20,000 zero percent optionally convertible redeemable preference shares (OCRPS Series II / Series III / Series IV) of face value of Rs.10 each at a price of Rs. 1,000 each (including premium of Rs.990) of the Parent Company. These OCRPS are allotted to EARC in exchange of OCRPS of subsidiaries issued to EARC. These OCRPS have right of conversion into equity shares of Parent Company at the option of EARC. On conversion the entire amount of OCRPS Series II / Series III / Series IV shall be adjusted against allotment of 1,19,11,962 equity shares of Parent Company to EARC.

   During the quarter ended 31st December 2017:-

   (i) In aggregate 4,56,62,304 equity shares of 2 each (including equity shares on conversion of OCRPS Series I, II, III and IV) have been allotted to EARC.

   (ii) Pursuant to RA, the promoters of the Parent Company have also been allotted 1,85,00,000 equity shares, including 85,00,000 equity shares allotted on conversion of 85,00,000 warrants out of 1,00,00,000 warrants issued.

   (iii) Allotted 25,00,000 equity shares on conversion of warrants to non-promoters.

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Post allotment of equity shares as mentioned above, paid up equity share capital of Parent Company is Rs. 4,456.84 Lakh comprising of 22,28,41,776 equity shares of Rs. 2 each.

9. Shareholders of parent company at the Extra Ordinary General Meeting held on 29th January, 2018 approved the issuance of 27,75,000 Equity Shares of face value of Rs. 2 each on preferential basis at a price of Rs. 110 per share (including premium of Rs.108) as per SEBI ICDR Regulations. The allotment of above securities is under process of issuance and no accounting impact of the same is given during the period ended on 31st December 2017.

10. The Parent Company and subsidiaries have defaulted / delayed in compliance of certain terms and conditions of RA. The Group has made partial repayment as agreed in amortisation schedule of RA during the nine months ended 31st December 2017. As per debt covenant, the Parent Company and Subsidiaries are required to adhere to repayment schedule and such event of default gives EARC right to convert whole of the outstanding amount of restructured rupee loan and/or part of the default amount into fully paid up equity shares of the Parent Company and respective subsidiaries. No such notice of conversion in writing has been given by the EARC and Group continues to disclose amount bifurcated between non-current borrowing and current maturity of borrowing, as per repayment schedule, in the Balance Sheet.

    The Group has requested EARC to grant necessary extension for repayment period. Further, the Group is also liable to pay penal interest amounting to Rs. 650.53 Lakh and Rs. 2,075.76 Lakh which has not been provided for during the quarter and nine months ended 31st December 2017, respectively.

    Had the Group provided the penal interest as mentioned, Total Comprehensive Income (Loss) for quarter and nine months ended would have been lower to that extent.

11. Scheme of arrangement and amalgamation u/s 230 to 232 and other applicable provisions of the Companies Act, 2013 has been filed before the National Company Law Tribunal between Arshiya Rail Infrastructure Limited (Transferee Company), Arshiya Industrial & Distribution Hub Limited (First Transferor Company) and Arshiya Transport & Handling Limited (Second Transferor Company) and their respective shareholders. The scheme is conditional on various approval / sanctions and is effective thereafter; accordingly no effect of the said Scheme is given in the consolidated financial results.

12. In respect of consent terms with Edelweiss Assets Reconstruction Company Limited (EARC) and a Non Baking Finance Company (NBFC), the Parent Company was in process of negotiation for revised terms. The Parent Company had agreed on revised Consent Terms (CT) with EARC and NBFC in respect of settlement of borrowing. These revised CT mainly stipulates revised "Schedule of Payments" and penal interest.

13. Subsequent to 31st December 2017 pursuant to the restructuring agreement, two lenders of a subsidiary i.e. Arshiya Industrial and Distribution Hub Limited have

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assigned their rights, title, and interest in financial assistance granted by them to Edelweiss Assets Reconstruction Company Limited (EARC). As a result, the Company had not provided for Interest of Rs. 682.48 Lakh as per loan agreement for the quarter ended 31st December, 2017. Further, no accounting effects of above said restructuring is considered in the aforesaid financial results for the period ended 31st December 2017.

14. Subsequent to 31st December, 2017, a subsidiary i.e. Arshiya Industrial and Distribution Hub Limited has been offered one time settlement (OTS) with a lender in respect of the term loan taken. OTS stipulates payment and allotment of Optionally Convertible Redeemable Preference Shares. Due to pending payment and allotment, no accounting effects of the same is given for the period ended 31st December 2017.

15. The Group is incurring losses, unable to meet its financial obligations and to fund various obligations pertaining to operations. Certain lenders have recalled the loans given and called upon to pay entire dues and other liabilities and have invoked the personal guarantee of promoter directors. Certain lenders and creditors have also initiated legal proceeding against Group and its Directors for recovery of the amount due. However, in these cases settlement terms are agreed and in process of filing consent terms. These circumstances indicate Group's inability to generate sufficient cash flows to discharge the debts and liabilities.

    As mentioned in note no. 4 the Parent Company has given its warehouses on long term lease basis and received upfront lease payments. The management has also initiated various other steps such as construction funding and future development within FTWZ, restructuring groups business operations by increasing private freight terminal operations and to enter into domestic warehousing, to expand the business volumes by changing product mix, entering into long term business agreements with various leading shipping lines, improvement of the inland container depot operations at Khurja, etc. Considering the strength of Group's locational advantages, future outlook as assessed by the management and business plan, the Group is confident to continue as a going concern. The long term prospects of the Company, however, are dependent on various factors. Consolidated financial results have accordingly been continued to be prepared on going concern basis.

16. Certain borrowings, trade receivables and loan and advances given are subject to reconciliation and confirmation, hence impact, if any, is presently not ascertainable. Further, borrowings, interest and other charges have been accounted on the basis of information available with the Group and its understanding of sanction letters / agreements.

    The accounting impact of the above, if any, shall be carried out upon completion of reconciliation / settlement.

17. Exceptional item for the nine months ended 31st December 2017 represents net amount of additional liability accounted of Rs. 1,629.12 Lakh and reversal of liability of Rs. 3,662.73 Lakh, on litigation settlement and restructuring of liabilities / borrowings.

18. Certain Banks of subsidiaries revoked the Corporate Debt Restructuring (CDR) package in July 2015 since those subsidiaries were not able to fulfil the terms and conditions laid down in CDR package. Accordingly, the banks are entitled to exercise rights and remedies available under the original loan documents. In the absence of

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any communication from banks regarding interest rate on borrowing, those subsidiaries continued to accounts for interest on such borrowings at interest rate prescribed in CDR package instead of original loan documents. Further, banks are also entitled to penal interest on overdue amount of interest and principles. Pending finalisation and confirmations, such differential interest cannot be ascertained / quantified and have not been recognised in the books of account.

19. Net deferred tax asset is not recognised as there is no convincing evidence that sufficient taxable profit will be available against which the unused tax losses will be utilised by the Parent Company and its Subsidiaries.

20. As per Ind AS 108 "Operating Segment" the Group has reported segment information in two segments namely in developing and operating free trade warehousing zone / inland container depot (FTWZ / ICD) and Rail Transport Operations. The assets and liabilities that cannot be allocated between the segments are shown as unallocable assets and liabilities respectively.

21. The figures for the previous period/year have been re-grouped/ re-classified/ re-arranged, wherever necessary, to correspond with the current period's classification/disclosure.

For and on behalf of Board of Directors of
Arshiya Limited

Ashishkumar Bairagra
Director
DIN - 00049591

Place: Mumbai
Date: 14th February 2018

Arshiya Limited
Mumbai