Arshiya
Complex is simple

Ref: AL/SE/0216/01

Date: 02.02.2016

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

Dear Sir,

SUB: Outcome of the Board meeting and submission of Unaudited Financial Results for the Quarter and nine Months ended December 31, 2015

Dear Sir,

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 December 31, 2015.

Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 enclosed please find the Unaudited Financial Results (Standalone and Consolidated) for your information and record.

This is for your information and record please.

Thanking you.

Yours faithfully,
For Arshiya Limited

ARSHIYA LIMITED MUMBAI

Savita Dalal
Company Secretary & Compliance Officer

Arshiya Limited: - CIN: L27320MH1981PLC024747
Registered Office: - 302 Ceejay House, Level 3, Shiv Sagar Estate, F-Block, Dr. Annie Besant Road, Worli, Mumbai - 400 018
T: +91 22 42305500 **F:** +91 22 4230 5555
info@arshiyalimited.com I www.arshiyalimited.com

M. A. PARIKH & CO.
CHARTERED ACCOUNTANTS

AUDITOR'S REPORT

To,
The Board of Directors,
Arshiya Limited

1. We have reviewed the accompanying statement of 'Un-audited financial results' of **Arshiya Limited** ("the Company") for the quarter and nine months ended 31st December, 2015 hereinafter referred to as 'Statement'. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. 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) 2400, "Engagements to Review Financial Statements" 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 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.

3.1 Secured Lenders (Banks) excluding loans assigned to Asset Reconstruction Company (ARC):

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 revoke the CDR Package approved by them and hence the CDR Lenders decided to exit the CDR.

Further to the above, CDR-EG issued a letter dated 29th December, 2015 approving the exit from CDR on account of failure of the restructuring package. Upon exit, lenders are entitled to exercise rights and remedies available under the original loan documents. In the absence of any communication from these lenders, the Company has not provided for additional interest (from CDR cutoff date till 31st December, 2015) estimated at Rs.6,682.27 lacs. Had the company provided for Interest on such loans, the loss before tax for the quarter and nine months ended 31st December, 2015 would have been higher by Rs. 6,682.27 Lacs.

YUSUF BUILDING, 2ND FLOOR, 43, MAHATMA GANDHI ROAD, FORT, MUMBAI - 400 001.
TELEPHONE : 2204 1018 · 2204 3850 · 2202 9187 · FAX : 91-22-2287 4524 · E-MAIL : maparikh@vsnl.net

3.2 Loans Assigned to Asset Reconstruction Company (ARC):

Some of the Secured CDR Lenders had assigned their outstanding dues to an ARC on the same terms and conditions as per the original financing documents. Consequent to CDR exit as mentioned in 3.1 above, the Company has not provided additional interest (from CDR cutoff date till 31st December, 2015) estimated at Rs. 3,874.08 lacs till date.

Pending finalization of the terms of assignment, the Company has not been providing Interest on loans assigned to ARC. Accordingly, the Company has not provided Rs. 1,616.03 lacs and Rs. 2,796.05 lacs for the quarter and nine months ended 31st December, 2015.

Had the company provided for Interest on such assigned loans, the loss before tax for the quarter would have been higher by Rs. 5,490.11 Lacs and for the nine months ended 31st December, 2015 would have been higher by Rs. 6,670.13 Lacs.

3.3 In addition to the above, the Company has not been able to repay dues to a bank, a Financial Institution and a Non-Banking Financial Company (NBFC) aggregating to Rs. 16,644.89 lacs (including interest of Rs. 6,953.22 lacs).

3.4 The Company has not been able to generate sufficient cash flows as reflected by non-payment of full and final settlement of employment dues to the extent of Rs. 277.94 lacs and statutory dues remaining unpaid to the extent of Rs. 907.12 lacs.

4. Mark to Market (MTM) Losses:

4.1. Axis Bank

(i) The Company has terminated the cross currency swap derivative contract with Axis Bank Limited on 30th September, 2015 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 was accounted as an exceptional item in the Statement during the previous quarter.

(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). During the quarter the Company has provided an amount of Rs.188.47 lacs in respect of MTM losses based on determination of fair market value of derivatives entered into by the Company. The Company is of the view that MTM loss has to be worked out taking into account the spot exchange rate(s) on the reporting date as it is committed to continue derivative contracts till their maturity and hence, applying the fair market values presuming that the derivative contracts would be cancelled on the reporting date, shall not reflect the correct financial position. However, the Bank which has entered into derivative contract with the Company has intimated that, the loss on account of MTM is Rs. 606.95 lacs as on 31st December, 2015 as against the amount of Rs. 188.47 lacs, determined by the Company, which is disclosed as Exceptional Item in the Statement.

M. A. PARIKH & CO.
Yusuf Building,
43, Mahatma Gandhi Rd, Fort, Mumbai.
CHARTERED ACCOUNTANTS

4.2. **Kotak Mahindra Bank Limited**

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 and hence not provided for.

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 31st December, 2015. The present "net asset value" of the said investments are either negative / 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, considering that, in respect of three subsidiaries out of five subsidiaries with negative net worth, the Company has already made provision of Rs. 40.31 lacs for diminution in value of investments in the earlier period.

6. Remuneration of Rs. 114.82 lacs paid/provided to former Executive Director Mr. Suhas Thakar for F.Y. 2013-14:
The Company has filed an application to the Central Government for waiver of excess remuneration paid. The Company has received an e-mail dated 9th December, 2015 from the Central Government directing it to furnish certain information/document/clarification which has been provided to the Central Government on 9th January, 2016.

7.1 Pursuant to the CDR Package and special resolution passed by the members of the Company on 12th May, 2014, the Company has allotted 139.80 lacs equity shares to promoters/promoters group on preferential basis on 21st November, 2015.

7.2 In January 2016, the promoters have pledged 242.50 lacs equity shares with the lenders.

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 estimated basis as per the rules applicable to its employees in this regard. The difference between the liability on estimated 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 against the Company and its Directors 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. The Financial implication of such claims will be recognized as and when finality in the matter is reached.

10. Certain balances relating to trade receivables and loans and advances outstanding as on 31st December, 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 of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies, except:

(i) non provision of Rs. 13,352.40 lacs as referred to in note no. 3.1 and note no. 3.2

(ii) short provision of loss on account of MTM of Rs. 418.18 lacs as referred to in note no. 4.1(ii)

(iii) waiver of excess remuneration of Rs. 114.82 lacs as referred to in note no. 6

has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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: 2nd February, 2016

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 NINE MONTHS ENDED ON 31ST DECEMBER 2015

(Rs. In Lacs)

Sr.No.	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31.12.2015 (Unaudited)	30.09.2015 (Unaudited)	31.12.2014 (Unaudited)	31.12.2015 (Unaudited)	31.12.2014 (Unaudited)	31.03.2015 (Audited)
1	**Income from operations**						
	(a) Income from operations	1,606.67	1,684.49	1,260.61	4,899.56	3,623.42	5,050.53
	(b) Other operating income	-	-	-	-	-	-
	Total income from operations	1,606.67	1,684.49	1,260.61	4,899.56	3,623.42	5,050.53
2	**Expenses**						
	(a) Cost of operations	105.40	98.96	82.83	317.34	266.70	345.04
	(b) Employee benefits expense	448.15	454.10	371.97	1,346.01	1,067.53	1,428.30
	(c) Depreciation and amortization expense	602.71	654.59	747.18	1,908.59	2,278.73	2,922.02
	(d) Other expenses	316.68	422.14	440.62	1,172.66	1,532.05	2,087.56
	Total expenses (a+b+c+d)	1,472.94	1,629.79	1,642.60	4,744.62	5,145.01	6,782.92
3	**Profit/(Loss) from operations before other income, finance costs and exceptional items (1-2)**	133.73	54.70	(381.99)	154.94	(1,521.59)	(1,732.39)
4	Other Income	63.81	13.74	7.20	77.64	38.89	60.23
5	**Profit/(Loss) from ordinary activities before finance costs and exceptional items (3+4)**	197.54	68.44	(374.79)	232.58	(1,482.70)	(1,672.16)
6	Finance costs	3,986.90	4,603.17	5,365.05	14,334.17	15,535.12	21,320.83
7	**Profit/(Loss) from ordinary activities after finance costs but before exceptional items (5-6)**	(3,789.36)	(4,534.73)	(5,739.84)	(14,101.59)	(17,017.82)	(22,992.99)
8	Exceptional Items (Net)	366.13	1,646.04	846.24	2,093.50	1,117.51	1,089.94
9	Prior Period Adjustment	-	(6.02)	-	(6.02)	-	317.40
10	**Profit/(Loss) from ordinary activities before tax (7-8-9)**	(4,155.49)	(6,174.75)	(6,586.08)	(16,189.07)	(18,135.33)	(24,400.33)
11	Tax expense	-	-	-	-	-	-
12	**Net profit/(Loss) for the period from ordinary activities (10-11)**	(4,155.49)	(6,174.75)	(6,586.08)	(16,189.07)	(18,135.33)	(24,400.33)
13	**Paid-up equity share capital (Face value per share Rs. 2/-)**	3,123.59	2,843.99	2,548.59	3,123.59	2,548.59	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	(2.80)	(4.67)	(5.57)	(11.80)	(18.10)	(22.82)
	- Diluted	(2.80)	(4.67)	(5.57)	(11.80)	(18.10)	(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	25.01%	27.47%	30.65%	25.01%	30.65%	30.65%
II	**Promoters & Promoter Group Shareholding**						
	a) Pledged/Encumbered						
	- Number of Shares	9,28,70,225	9,28,70,225	7,43,70,225	9,28,70,225	7,43,70,225	7,43,70,225
	- Percentage of shares (as a % of the total shareholding of promoters and promoter group)	79.29%	90.04%	84.16%	79.29%	84.16%	84.16%
	- Percentage of shares (as a % of the total share capital of the company)	59.46%	65.31%	58.36%	59.46%	58.36%	58.36%
	b) Non Encumbered (Refer Note 5.2)						
	- Number of Shares	2,42,50,000	1,02,70,000	1,40,00,000	2,42,50,000	1,40,00,000	1,40,00,000
	- Percentage of shares (as a % of the total shareholding of promoters and promoter group)	20.71%	9.96%	15.84%	20.71%	15.84%	15.84%
	- Percentage of shares (as a % of the total share capital of the company)	15.53%	7.22%	10.99%	15.53%	10.99%	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
MUMBAI

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 and nine months ended 31st December, 2015 have been reviewed by the Audit Committee at their meeting held on 1st February, 2016 and approved by the Board of Directors on 2nd February, 2016.

2) The Statutory Auditors of the Company have carried out a limited review on the Standalone Financial Results for the quarter and nine months ended 31st December, 2015.

3) The Company's Earnings before Depreciation, Interest and Tax (EBDITA) has improved to Rs. 800.25 lacs for Q3 of F.Y. 2015-2016 as compared to Rs. 723.03 lacs for Q2 of F.Y. 2015-2016 and Rs.372.40 lacs for Q3 of F.Y. 2014-2015.

4.1) Secured Lenders (Banks) excluding loans assigned to Asset Reconstruction Company (ARC):
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 revoke the CDR Package approved by them and hence the CDR Lenders decided to exit the CDR.

Further to the above, CDR-EG issued a letter dated 29th December, 2015 approving the exit from CDR on account of failure of the restructuring package. Upon exit, lenders are entitled to exercise rights and remedies available under the original loan documents. In the absence of any communication from these lenders, the Company has not provided for additional interest (from CDR cut of date to till 31st Dec., 2015) estimated at Rs. 6,682.27 lacs. Had the company provided for Interest on such loans, the loss before tax for the Quarter and nine months ended 31st December, 2015 would have been higher by Rs. 6,682.27 Lacs. Upon reconciliation and finalization of the estimated entitlements of these lenders, the company will recognize the liability in its books during the year in which finality is reached.

4.2) Loans Assigned to Asset Reconstruction Company (ARC):
Some of the Secured CDR Lenders had assigned their outstanding dues to an ARC on the same terms and conditions of the original financing documents. Consequent to CDR exit as mentioned in 4.1 above, the Company has not provided for additional interest (from CDR cut of date to till 31st Dec., 2015) estimated at Rs. 3,874.08 lacs till date.

Pending finalization of the terms of assignment, the Company has not been providing Interest on loans assigned to ARC. Accordingly the Company has not provided Rs. 1,616.03 lacs and Rs. 2,796.05 lacs for the quarter and nine months ended 31st Dec., 2015.

Had the company provided for Interest on such assigned loans, the loss before tax for the Quarter would have been higher by Rs.5,490.11 Lacs and for the nine months ended 31st December, 2015 would have been higher by Rs. 6,670.13 Lacs.

On finalization of restructuring with ARC, the Company will record the effect of the revised terms as to repayment of Interest and principal in the period in which it is completed.

4.3) In addition to the above, the Company has not been able to repay dues to a Financial Institution and a Non-Banking Financial Company (NBFC) aggregating to Rs. 16,644.89 lacs (including interest of Rs. 6,953.22 lacs).

4.4) The Company has not been able to generate sufficient cash flows as reflected by non-payment of full and final settlement of employment dues to the extent of Rs. 277.94 lacs and statutory dues remaining unpaid to the extent of Rs. 907.12 lacs.

4.5) 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 by changing product mix,
- increasing client base by inducting more Fortune 500 companies,
- commencing the Inland Container Depot (ICD) at Khurja,
- support from ARC in terms of Growth Capital / Working Capital support,
- clarity and resolution of regulatory issues,
- revamping the entire business with an emphasis on operational efficiency.

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.

5.1) Pursuant to the CDR Package and special resolution passed by the members of the Company on 12th May, 2014, the Company has allotted 1,39,80,000 equity shares to promoters/promoters group on preferential basis on 21st November, 2015.

5.2) In January 2016, the promoters have pledged 2,42,50,000 equity shares with the lenders.

6) 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 31st December,

ARSHIYA LIMITED MUMBAI

2015. The present "net asset value" of the said investments are either negative / 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, considering that, in respect of three subsidiaries out of five subsidiaries with negative net worth, the Company has already made provision of Rs. 40.31 lacs for diminution in value of investments in the earlier period.

7) Remuneration of Rs. 114.82 lacs paid/provided to former Executive Director Mr. Suhas Thakar for F.Y. 2013-14:
The Company has filed an application to the Central Government for waiver of excess remuneration paid. The Company has received an e-mail dated 9th December, 2015 from the Central Government directing it to furnish certain information/document/clarification which has been provided to the Central Government on 9th January, 2016.

8) **Mark to Market (MTM) Losses:**

8.1) **Axis Bank**

(i) The Company has terminated the cross currency swap derivative contract with Axis Bank Limited on 30th September, 2015 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 was accounted as an exceptional item in the previous quarter results.

(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). During the quarter the Company has provided an amount of Rs.188.47 lacs in respect of MTM losses based on determination of fair market value of derivatives entered into by the Company. The Company is of the view that MTM loss has to be worked out taking into account the spot exchange rate(s) on the reporting date as it is committed to continue derivative contracts till their maturity and hence, applying the fair market values presuming that the derivative contracts would be cancelled on the reporting date, shall not reflect the correct financial position. However, the Bank which has entered into derivative contract with the Company has intimated that, the loss on account of MTM is Rs. 606.95 lacs as on 31st December, 2015 as against the amount of Rs. 188.47 lacs, determined by the Company, which is disclosed as Exceptional Item.

8.2) **Kotak Mahindra Bank Limited**

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 and hence not provided for.

ARSHIYA LIMITED MUMBAI

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

(Rs. in lacs)

Sr. No.	Particulars	Quarter ended 31st December, 2015
a)	MTM Provision	188.47
b)	Irrecoverable Advances written off	207.95
c)	Sundry creditors written back (Net)	(30.29)
TOTAL		366.13

10) Certain lenders and creditors have filed winding up petitions/cases/other legal proceedings against the Company and its Directors 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. The financial implication of such claims will be recognized as and when finality in the matter is reached.

11) 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.

12) 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.

13) Certain balances relating to trade receivables and loans and advances outstanding as on 31st December, 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.

ARSHIYA LIMITED MUMBAI

14) The previous Quarter's figures have been regrouped/re-arranged, wherever necessary.

For and on behalf of Board of Directors of
Arshiya Limited

ARSHIYA LIMITED MUMBAI

Ajay S Mittal
Chairman and Managing Director
DIN: 00226355

Place: Mumbai
Date: 2nd February, 2016

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 NINE MONTHS ENDED DECEMBER 31, 2015

(Rs.in Lacs)

Sr. No	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31.12.2015 (Unudited)	30.09.2015 (Unudited)	31.12.2014 (Unaudited)	31.12.2015 (Unudited)	31.12.2014 (Unaudited)	31.03.2015 (Audited)
1	Income from operations						
	(a) Net sales/Income from operations	6,871.42	7,935.66	8,556.26	23,597.32	23,618.37	32,423.04
	(b) Other operating income	-	-	-	-	-	-
	Total income from operations (net)	6,871.42	7,935.66	8,556.26	23,597.32	23,618.37	32,423.04
2	Expenses						
	(a) Cost of operations	4,086.21	4,968.64	6,087.20	14,955.68	16,770.15	22,921.93
	(b) Employee benefits expense	824.61	805.08	750.68	2,419.26	2,124.17	2,748.51
	(c) Depreciation and amortization expense	1,976.28	2,643.67	2,545.11	7,250.65	7,758.74	10,109.33
	(d) Other expenses	529.90	656.18	713.61	1,913.54	2,367.84	3,602.25
	Total expenses (a+b+c+d)	7,417.00	9,073.57	10,096.60	26,539.13	29,020.90	39,382.02
3	Profit/(Loss) from operations before other income, finance cost and exceptional Items (1-2)	(545.58)	(1,137.91)	(1,540.34)	(2,941.81)	(5,402.53)	(6,958.98)
4	Other Income	114.52	33.05	271.36	176.58	376.86	783.10
5	Profit/(Loss) from ordinary activities before finance costs and exceptional Items (3+4)	(431.06)	(1,104.86)	(1,268.98)	(2,765.23)	(5,025.67)	(6,175.88)
6	Finance costs	8,350.92	7,459.57	9,412.10	26,968.38	28,606.33	40,349.45
7	Profit/(Loss) from ordinary activities after finance costs but before exceptional Items (5-6)	(8,781.98)	(8,564.43)	(10,681.08)	(29,733.61)	(33,632.00)	(46,525.33)
8	Exceptional Items	362.05	1,530.93	937.82	2,280.72	1,439.69	1,085.81
9	Prior Period Adjustments	104.15	9.75	-	(28.10)	-	354.75
10	Profit/(Loss)from ordinary activities before tax (7-8-9)	(9,248.18)	(10,105.11)	(11,618.90)	(31,986.23)	(35,071.69)	(47,965.89)
11	Tax expense	14.06	-	-	14.06		(565.19)
12	Net Profit/(Loss) from ordinary activities after tax (10-11)	(9,262.24)	(10,105.11)	(11,618.90)	(32,000.28)	(35,071.69)	(47,400.70)
13	Minority interest	-	-	-	-	-	-
14	Extraordinary Item (net of tax expenses)	-	-	-	-	-	-
15	Net profit/Loss) for the period (12-13-14)	(9,262.24)	(10,105.11)	(11,618.90)	(32,000.28)	(35,071.69)	(47,400.70)
16	Paid-up equity share capital (Face value per share Rs. 2/-)	3,123.59	2,843.99	2,548.39	3,123.59	2,548.59	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	(6.24)	(7.68)	(9.82)	(23.32)	(35.00)	(44.33)
	- Diluted	(6.24)	(7.68)	(9.82)	(23.32)	(35.00)	(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	25.01%	27.47%	30.65%	25.01%	30.65%	30.65%
20	Promoters and Promoter Group Shareholding						
	a) Pledged/Encumbered						
	- Number of Shares	9,28,70,225	9,28,70,225	7,43,70,225	9,28,70,225	7,43,70,225	7,43,70,225
	- Percentage of shares (as a % of the total shareholding of promoters and promoter group)	79.29%	90.04%	84.16%	79.29%	84.16%	84.16%
	- Percentage of shares (as a % of the total share capital of the company)	59.46%	65.31%	58.36%	59.46%	58.36%	58.36%
	b) Non Encumbered						
	- Number of Shares (Refer Note 4.2)	2,42,50,000	1,02,70,000	1,40,00,000	2,42,50,000	1,40,00,000	1,40,00,000
	- Percentage of shares (as a % of the total shareholding of promoters and promoter group)	20.71%	9.96%	15.84%	20.71%	15.84%	15.84%
	- Percentage of shares (as a % of the total share capital of the company)	15.53%	7.22%	10.99%	15.53%	10.99%	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 MUMBAI

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 NINE MONTHS ENDED DECEMBER 31, 2015

(Rs. In Lacs)

Sr. No.	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31.12.2015 (Unaudited)	30.09.2015 (Unaudited)	31.12.2014 (Unaudited)	31.12.2015 (Unudited)	31.12.2014 (Unaudited)	31.03.2015 (Audited)
1	**Segment Revenue**						
	FTWZ	2,756.49	2,780.54	2,527.91	8,318.08	3,525.59	8,589.69
	Rail Transport Operations	4,114.94	5,155.12	6,028.35	15,279.24	11,527.07	23,823.90
	Unallocated	-	-	-	-	9.44	9.44
	TOTAL	6,871.43	7,935.66	8,556.26	23,597.32	15,062.10	32,423.03
2	**Segment Results**						
	Profit Before Tax and Interest						
	FTWZ	188.37	(390.24)	(756.29)	(695.25)	(3,177.39)	(860.57)
	Rail Transport Operations	(617.14)	(712.03)	(512.28)	(2,062.87)	(1,848.65)	(2,598.28)
	Unallocated	(2.29)	(2.59)	(0.41)	(7.10)	0.37	(2,717.03)
	TOTAL	(431.06)	(1,104.86)	(1,268.98)	(2,765.22)	(5,025.67)	(6,175.88)
	Less: Interest Expenses (Net)	8,350.92	7,459.57	9,412.10	26,968.38	28,606.33	40,349.45
	Profit Before Tax, Exceptional Items and Prior Period Items	(8,781.98)	(8,564.43)	(10,681.08)	(29,733.60)	(33,632.00)	(46,525.33)
3	**Capital Employed**						
	FTWZ	67,596.13	69,775.93	77,463.62	67,596.13	77,463.62	74,913.03
	Rail Transport Operations	(2,325.35)	(535.12)	5,615.43	(2,325.35)	5,615.43	3,022.29
	Unallocated	42,473.77	45,551.73	63,224.63	42,473.77	63,224.63	56,317.38
	Inter Segmental Elimination	(1,13,686.46)	(1,13,515.93)	(1,01,279.47)	(1,13,686.46)	(1,01,279.47)	(1,11,960.53)
	TOTAL	(5,941.91)	1,276.61	45,024.21	(5,941.91)	45,024.21	22,292.17

ARSHIYA LIMITED MUMBAI

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 and nine months ended 31st December, 2015 have been reviewed by the Audit Committee at their meeting held on 1st February, 2016 and approved by the Board of Directors on 2nd February, 2016.

2. The Consolidated Earnings before Depreciation, Interest and Tax (EBDITA) has improved to Rs. 1,545.22 lacs for Q3 of F.Y. 2015-2016 as compared to Rs. 1,538.81 lacs for Q2 of F.Y. 2015-2016 and Rs. 1,276.13 lacs for Q3 of F.Y. 2014-2015.

3.1 Secured Lenders (Banks) excluding loans assigned to Asset Reconstruction Company (ARC):
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 revoke the CDR Package approved by them and hence the CDR Lenders decided to exit the CDR.

Further to the above, CDR-EG has approved the exit from CDR on account of failure of the restructuring package. Upon exit, lenders are entitled to exercise rights and remedies available under the original loan documents. In the absence of any communication from these lenders, the Group has not provided for additional interest (from CDR cut offdate to 31st Dec., 2015) estimated at Rs. 9,966.45 lacs. Had the Group provided for Interest on such loans, the loss before tax for the quarter and nine months ended 31st December, 2015 would have been higher by Rs. 9,966.45 Lacs. Upon reconciliation and finalization of the estimated entitlements of these lenders, the Group will recognize the liability in its books during the year in which finality is reached.

3.2 Loans Assigned to Asset Reconstruction Company (ARC):
Some of the Secured CDR Lenders had assigned their outstanding dues to an ARC on the same terms and conditions of the original financing documents. Consequent to CDR exit as mentioned in 3.1 above, the Group has not provided for additional interest (from CDR cut offdate to 31st Dec., 2015) estimated at Rs. 4,921.54 lacs till date.

Pending finalization of the terms of assignment, the Group has not been providing Interest on loans assigned to ARC. Accordingly the Group has not provided Rs. 3,241.65 lacs and Rs. 7304.71 lacs for the quarter and nine months ended 31st Dec., 2015.

ARSHIYA LIMITED MUMBAI

Had the Group provided for Interest on such assigned loans, the loss before tax for the quarter would have been higher by Rs. 8,163.20 Lacs and for the nine months ended 31st December, 2015 would have been higher by Rs. 12,226.26 Lacs.

3.3 On finalization of restructuring with ARC, the Group will record the effect of the revised terms as to repayment of Interest and principal in the period in which it is completed.

3.4 In addition to the above, the Group has not been able to repay dues to a Financial Institution and a Non-Banking Financial Company (NBFC) aggregating to Rs. 16,644.89 lacs (including interest of Rs. 6,953.22 lacs).

3.5 The Group has not been able to generate sufficient cash flows as reflected by non-payment of full and final settlement of employment dues to the extent of Rs. 580.29 lacs and statutory dues remaining unpaid to the extent of Rs. 3,173.74 lacs.

3.6 The Management of the Group is restructuring its business operations by-

- expanding the business volumes by changing product mix,
- increasing client base by inducting more Fortune 500 companies,
- commencing the Inland Container Depot (ICD) at Khurja,
- support from ARC in terms of Growth Capital / Working Capital support,
- clarity and resolution of regulatory issues,
- revamping the entire business with an emphasis on operational efficiency

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.

4.1 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 1,39,80,000 equity shares to promoters/promoters group on preferential basis on 21st November, 2015.

4.2 In January 2016, the promoters have pledged 2,42,50,000 equity shares with the lenders.

5 Remuneration of Rs. 114.82 lacs paid/provided to former Executive Director Mr. Suhas Thakar for F.Y. 2013-14:

The Holding Company has filed an application to the Central Government for waiver of excess remuneration paid. The Holding company has received an e-mail dated 9th December, 2015 from the Central Government directing it to furnish certain information/document/clarification which has been provided to the Central Government on 9th January, 2016.

6. **Mark to Market (MTM) Losses:**

6.1 Axis Bank

(i) The Holding company has terminated the cross currency swap derivative contract with Axis Bank Limited on 30th September, 2015 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 upto 30th June, 2015. The balance amount of Rs. 1,647.81 lacs was accounted as an exceptional item in the previous quarter results.

(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). During the quarter the Holding company has provided an amount of Rs.188.47 lacs in respect of MTM losses based on determination of fair market value of derivatives entered into by the Holding Company. The Holding company is of the view that MTM loss has to be worked out taking into account the spot exchange rate(s) on the reporting date as it is committed to continue derivative contracts till their maturity and hence, applying the fair market values presuming that the derivative contracts would be cancelled on the reporting date, shall not reflect the correct financial position. However, the Bank which has entered into derivative contract with the Holding company has intimated that, the loss on account of MTM is Rs. 606.95 lacs as on 31st December, 2015 as against the amount of Rs. 188.47 lacs, determined by the Holding company, which is disclosed as Exceptional Item.

6.2 Kotak Mahindra Bank Limited

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 and hence not provided for.

7. Exceptional Items (Net) for the current quarter are as under:

(Rs. in lacs)

Sr. No.	Particulars	Quarter ended 31st December, 2015
a)	MTM Provision	188.47
b)	Excess Provision Written Back	(10.68)
c)	Irrevocable Advance written off	207.95
d)	Sundry Balance written back (Net)	(23.69)
TOTAL		**362.05**

Note: Figures in brackets denote items of credit nature.

ARIHIYA LIMITED MUMBAI

Certain lenders and creditors have filed winding up petitions/cases/other legal proceedings against the Group and its Directors 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 Group in those proceedings and not acknowledged as debts. The financial implication of such claims will be recognized as and when finality in the matter is reached.

8. 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".

9. 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 Group provide 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.

10. Certain balances relating to trade receivables and loans and advances outstanding as on 31stDecember, 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.

11. Revenue from Arshiya Rail Infrastructure Limited has been lower since eight rakes were not deployed due to floods in Chennai and weak demand from Steel Industry sector.

12. The previous Quarter's figures have been regrouped/re-arranged, wherever necessary.

For and on behalf of Board of Directors of
Arshiya Limited

ARSHIYA LIMITED MUMBAI

Ajay S Mittal
Chairman and Managing Director
DIN: 00226355

Place: Mumbai
Date: 2nd February, 2016