Arshiya

Ref: AL/SE/0817/03

Date: 26/08/2017

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
BSE Ltd.
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 ended 30th June, 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 ended 30th June, 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) along with the Limited Review Report.

This is for your information and record.

The Meeting of the Board of Directors commenced at 02:00 P.M. and ended at 05.00 P.M.

Thanking you.

Yours faithfully,
For ARSHIYA LIMITED

ARSHIYA LIMITED MUMBAI

Ajay S Mittal
Chairman & Managing Director
DIN: 00226355

Auditor's Report on Quarterly Financial Results of the Company Pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015

To,
The Board of Directors of Arshiya Limited

1. We have reviewed the accompanying statement of 'Un-audited financial results' of Arshiya Limited ("the Company") for the quarter ended 30th June, 2017 hereinafter referred to as 'Statement'. This Statement which is the responsibility of the Company's Management has been prepared in accordance with recognition and measurement principles laid down in Indian Accounting Standard (Ind AS) 34 on "Interim Financial Reporting", prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, and other accounting principles generally accepted in India 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, "Engagement 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 provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

3.1.1 Re-structuring of loans assigned by Lenders to Edelweiss Asset Reconstruction Company Limited (EARC)(Lender on behalf of the various EARC Trusts):

Various Lenders of the company, comprising of 9 banks have assigned their term loans and working capital loan (Loans) to EARC (as trustee of EARC Trusts). Post assignment of loans, EARC has become a secured lender of the Company and right, title and interest of the lenders have vested in EARC. As per the restructuring package approved by the EARC, loans so assigned as on 31st March 2017, have been restructured.

Pursuant to the assignment of such loans, and in terms of the restructuring package approved by EARC for the loans so assigned, the Company has executed Restructuring Agreement (RA) with EARC, on behalf of EARC Trusts on 31st March 2017. Under the Agreement, the restructured loans post assignment to EARC aggregate to Rs. 155,000 lakhs, which constitutes following components:

(i) Loans aggregating to Rs. 72,000 Lakhs and

(ii) The balance debt of Rs.83,000 Lakhs, includes loan to be converted into Equity and Zero Percent Optionally Convertible Redeemable Preference Shares (OCRPS). Accordingly the Company shall issue to EARC, upto 3,21,62,304 equity shares. After adjustment of the amount to the extent of equity, the Company shall issue 64,23,329 Zero Percent OCRPS - Series I of face value of Rs.10/- each at a price of Rs.1,000/- each (which includes premium of Rs.990/-) to EARC after due process/applicable statutory compliances towards issue of shares.

The above stated OCRPS shall carry a right of conversion into equity shares of the Company. On Conversion, the entire amount of OCRPS shall be adjusted against the allotment of upto 1,54,85,554 equity shares of the Company to EARC.

3.1.2 Some of the Secured Lenders of the Wholly Owned Subsidiaries viz. Arshiya Rail Infrastructure Limited (ARIL), Arshiya Northern FTWZ Limited (ANFL) and Arshiya Industrial & Distribution Hub Limited (AIDHL) have also assigned their loan to EARC (Acting as trustee of EARC Trusts) and EARC has approved the restructuring package and executed the Restructuring Agreement on the terms and conditions inter alia including allotment of OCRPS of the Company:

With respect to the restructuring package of the subsidiaries approved by EARC, loans to the extent of Rs. 43,200 lakhs have been restructured by allotment of 43,20,000 Zero Percent OCRPS (Series II /Series III/ Series IV) of face value of Rs.10/- each at a price of Rs.1,000/- each (which includes premium of Rs.990/-).

The above stated OCRPS shall carry a right of conversion into equity shares of the company at the option of EARC. On conversion, the entire amount of OCRPS shall be adjusted against the allotment of upto 1,19,11,962 equity shares of the Company to the EARC.

3.2.1 To give effect to the RA the shareholders of the company at the Extra Ordinary General Meeting held on 29th April, 2017 approved the issuance of Equity Shares, Zero Percent Optionally Convertible Redeemable Preference shares (OCRPS) and Warrants on preferential basis to the Edelweiss Assets Reconstruction Company Limited ("EARC/ Lenders on behalf of various Trusts") (As per the terms stated in 3.1.1 and 3.1.2 hereinabove), Promoter and non-Promoters. The allotment of above securities is under process of issuance pending completion of certain statutory compliances.

3.2.2 As per the terms of RA, the Company has not complied with certain covenants and is in the process of getting necessary extension from EARC for the same:

- Per para no 2.5 issue of 3,21,62,304 equity shares with-in 60 days from the date of RA.
- Per para no. 2.9 regarding infusion by the promoters of Rs. 75 crores with-in 60 days from the date of RA.
- Repayment of Rs. 182 crores by 30th April, 2017 as per schedule III of RA. Consequently the Company is liable to Rs 539.54 lakhs on account of penal interest which has not been provided. Had the Company provided for penal interest of Rs. 539.54 lakhs in the current quarter, the loss before tax for the quarter would have been higher by Rs.539.54 lakhs

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

The Banks revoked the CDR package on 29th December, 2015 approved by them due to Company not being able to fulfill the terms of the CDR package. Accordingly the Banks are entitled to exercise rights and remedies available under the original loan documents. In the absence of any communication from these Banks, the Company has not provided for additional interest from CDR cut-off date till 30th June, 2017 estimated at Rs. 582.94 lakhs (including Rs.38.71 lakhs for the current quarter) which arises on account of difference

M.A. PARIKH & CO. MUMBAI CHARTERED ACCOUNTANTS between interest rates as approved under CDR package and interest rate decided as per the original sanctioned terms and penal interest on overdue amounts of interest and installments. Had the Company provided for this interest in the current quarter, the Loss before tax for the quarter would have been higher by Rs.582.94 lakhs. Upon reconciliation and finalization of the estimated entitlements of these Banks, the Company shall recognize the liability in the books during the period in which finality is reached.

3.4 A Bank had assigned its loan to EARC aggregating to Rs. 8,707.69 lakhs (being principal Rs. 4,950.00 lakhs and Interest Rs. 3,757.69 lakhs) on the same terms and conditions of the original financing documents. The EARC and the Company had filed Consent Terms (CT) on 18th December, 2015 in relation to "Winding up Proceedings" with the Hon'ble Bombay High Court.

On the basis of the CT, the Company is required to pay Rs. 3,120 lakhs towards full and final settlement of the amount due and payable to the EARC subject to the Company complying with the "Schedule of Payments" referred to in the CT as per which the entire amount of Rs. 3,120 lakhs ought to be paid as per the installments agreed upto 31st December, 2020.

However, the Company has defaulted in repayment as per CT since 31st March, 2017. During the quarter the Company has not paid a sum of Rs. 150 lakhs due upto 30th June, 2017. Hence, as per clause 13 of the CT, the entire debt of the settlement of dues shall become payable along with interest as per transaction documents till the realization of the debt.

Based on assumption of obtaining a revised "Schedule of Payments", the Company has not provided for interest of Rs. 2,379.37 lakhs (including Rs.350.29 lakhs for the current quarter) on the loan assigned to EARC from the date of assignment.

Had the Company reversed the amount written back as stated above of Rs. 5,587.69 lakhs and provided for interest of Rs. 2,379.37 lakhs in the current quarter, the loss before tax for the quarter would have been higher by Rs.7967.06 lakhs.

3.5 A Non-Banking Financial Company (NBFC) and the Company had filed Consent Terms (CT) on 27th September, 2016 with the Hon'ble Bombay High Court for the settlement of dues aggregating to Rs. 4,719.59 lakhs (Including Interest of Rs. 2,052.93 lakhs)

On the basis of the CT, the Company is required to pay Rs. 3,000 lakhs towards full and final settlement of the amount due and payable to the NBFC subject to the Company complying with the "Schedule of Payments" referred to in the CT as per which the entire amount of Rs. 3,000 lakhs ought to be paid as per the installments agreed upto 31st December, 2017.

However, the Company has defaulted in repayment as per CT since 15th December, 2016. During the quarter the Company has not paid a sum of Rs. 1,800 lakhs due up to 30th June, 2017. Hence, as per clause 10 of the CT, the entire debt of the settlement of dues shall become payable along with interest as per transaction documents till the realization of the debt.

The Company is still negotiating for a revised "Schedule of Payments" and is confident that the concessions provided earlier at the time of entering into CT shall continue.

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MUMBAI
CHARTERED ACCOUNTANTS

Based on the assumption of obtaining a revised "Schedule of Payments", the Company has not provided for interest of Rs. 838.47 lakhs (including Rs.219.87 lakhs for the current quarter) on the loan from the date of CT.

Had the Company reversed the amount written back as stated above of Rs.1,719.59 lakhs and provided for interest of Rs. 838.47 lakhs, the loss before tax for the quarter would have been higher by Rs. 2,558.06 lakhs.

3.6 In addition to the above, the Company has not been able to repay dues to a Financial Institution amounting to Rs.15,941.68 lakhs (including overdue interest of Rs.9,303.36 lakhs).

3.7 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. 273.92 lakhs, creditors for capital expenditure of Rs. 2,056.18 lakhs and statutory dues remaining unpaid to the extent of Rs. 1,218.78 lakhs.

4. Corporate Guarantee

4.1 With respect to two subsidiaries, the Lead Bank (Bank), on behalf of certain Consortium Banks of those subsidiaries, has initiated debt recovery action under Section 13(2) of Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act) vide notice dated 14th October, 2015 aggregating to Rs. 32,223.46 lakhs (being dues from Arshiya Northern FTWZ Limited) (In the mean while, some of the banks in the consortium entered into agreements for assignment of loans with EARC which in-turn entered in to RA with the Company on 31st March, 2017, whereby dues stand reduced to Rs. 17,450.63 lakhs) and notice dated 19th October, 2015 aggregating to Rs. 58,657.51 lakhs (being dues from Arshiya Industrial & Distribution Hub Limited) (In the mean while, some of the banks in the consortium entered into agreements for assignment of loans with EARC which in-turn entered in to RA with the Company on 31st March, 2017, whereby dues stand reduced to Rs. 29,369.94 lakhs) (the Subsidiaries of the Company). The Bank has also invoked the Corporate Guarantee issued by the Promoter Company, Arshiya Limited and personal guarantees of Promoter Directors i.e. Mr. Ajay S. Mittal and Mrs. Archana A. Mittal. Further on 19th January, 2016 the Company received a Notice of possession from the Authorized Officer of the Bank under power conferred on the Bank u/s 13(4) of the said Act read with Rule 8(i) of the Rules. There is no further action/development under SARFAESI Act.

4.2 The subsidiaries have requested the Banks to withdraw the said notices and support their revival efforts.

4.3 Given the above, the Company is of the view that:

i. at this juncture there is no obligation which is expected to result in an outflow of the resources from the Company and hence not provided for.

M.A. PARIKH & CO. MUMBAI CHARTERED ACCOUNTANTS

ii. Disclosure of the Corporate Guarantees issued by the Company to the Consortium Banks on behalf of its subsidiaries under the head Contingent Liabilities not provided for in respect of Guarantees given is adequate.

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

5.1 **Axis Bank**

The Company had terminated the cross currency swap derivative contract with Axis Bank Limited (Bank) on 30th September, 2015 for an agreed valuation of Rs. 4,200 lakhs of which the balance as on 27th June, 2017 is Rs. 2,659.79 lakhs. The Company has received proposal from the Bank for the repayment of this crystallized liability of Rs. 2,659.79 lakhs as follows:

a. Term loan of Rs. 1,500 lakhs.

b. Investments in equity shares of the Company for a balance amount of Rs. 1,159.79 lakhs.

The proposal is pending for compliance with regulatory requirements.

5.2. **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 lakhs, which are disputed by the Company and hence, not provided for.

6. The Company holds strategic and long term investments aggregating to Rs. 1,34,148.75 lakhs by way of equity shares in subsidiaries. The present "net asset value" of the said investments are either negative/lower than their respective costs of acquisition. However these subsidiaries are implementing their respective Revival Plans along with the future business plans of the Company and hence Management is of the view that the diminution in value of its investments being temporary in nature, no provision for diminution in value is called for at this juncture.

7. The Company had applied for waiver of recovery of excess remuneration of Rs. 83.52 lakhs paid to its Whole Time Director (Director) in the earlier year which was rejected by the Ministry of Corporate Affairs vide their letter dated 2nd June, 2016, In view of the same, after recovering / adjusting amounts payable to the Director, the Company is in the process of recovering the balance amount of Rs. 37.10 lakhs as on 30th June, 2017.

8. 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.

M. A. PARIKH & CO. MUMBAI CHARTERED ACCOUNTANTS

9. During the previous year Arshiya Rail Infrastructure Limited a subsidiary of the Company had filed an application, for the merger of Arshiya Industrial & Distribution Hub Limited and Arshiya Transport & Handling Limited (subsidiaries of the Company) with Arshiya Rail Infrastructure Limited, before the National Company Law Tribunal (NCLT). The impact of this proposed merger will be recognized on receipt of the Order from the NCLT.

10. Certain balances relating to trade receivables and loans and advances outstanding as on 30th June, 2017 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. Impact on Deferred Tax Assets effect on account of Ind AS adjustments has not been considered since the Company, in accordance with past practice, has thought it prudent not to give such effect till there is reasonable certainty of earning profits to set-off past losses/ unabsorbed depreciation.

12. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with aforesaid Indian Accounting Standard and other recognized accounting practices and policies, *except, non provision of interest and amounts written back aggregating to Rs. 11,647.60 lakhs as referred to in note nos. 3.2.2, 3.3, 3.4 and 3.5,* 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.

13. We draw attention to the following matters:

    a. Note No. 2 to the Statement which states that the Company has adopted Ind AS for the financial year commencing from April, 2017and accordingly, the statement has been prepared by the Company's Management in compliance with Ind AS.

    b. We were neither engaged to review, nor have we reviewed the comparative figures including the reconciliation to the Total Comprehensive Income for the quarter ended 30th June, 2016 and accordingly, we do not express any conclusion on the results in the Statement for the quarter ended 30th June, 2016. As stated in Note No 3 to the Statement these figures have been furnished by the Management.

    Our conclusion is not qualified in respect of these matters.

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

M. A. PARIKH & CO. MUMBAI CHARTERED ACCOUNTANTS

Mukul M. Patel
Partner
Membership No: 032489

Place: Mumbai
Date: 26th August, 2017

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 ENDED ON 30TH JUNE, 2017

(Rs. In Lakhs)

Sr.No.	Particulars	Quarter ended	
		30.06.2017 (Unaudited)	30.06.2016 (Unaudited)
1	**Revenue**		
	(a) Revenue from operations	1,815.11	1,798.14
	(b) Other Income	230.10	273.17
	Total Revenue	**2,045.21**	**2,071.31**
2	**Expenses**		
	(a) Cost of operations	92.54	67.98
	(b) Employee benefits expense	369.29	350.91
	(c) Finance costs (Refer Note No. 6)	3,608.79	3,717.33
	(d) Depreciation and amortization expense	433.16	481.90
	(e) Other expenses (Refer Note No 5)	437.79	311.66
	Total Expenses (a+b+c+d+e)	**4,941.57**	**4,929.78**
3	**Profit/(Loss) befor exceptional and extraordinary items and Tax (1-2)**	**(2,896.36)**	**(2,858.47)**
4	Exceptional Items (Net)	26.15	400.73
5	**Profit/(Loss) before extraordinary items and tax (3-4)**	**(2,922.51)**	**(3,259.20)**
6	Tax expense	-	-
7	**Net profit/(Loss) after Tax (5-6)**	**(2,922.51)**	**(3,259.20)**
8	**Other Comprehensive Income**		
A	**Other Comprehensive income not to be reclassified to profit and loss in subsequent periods:**		
	Remeasurement of gains (losses) on defined benefit plans	(2.26)	(2.26)
B	**Other Comprehensive income for the year, net of tax**	-	-
9	**Total Comprehensive Income**	**(2,924.78)**	**(3,261.46)**
10	**Paid-up equity share capital (Face value per share Rs. 2/-)**	**3,123.59**	**3,123.59**
11	**Earnings Per Share (EPS)**		
	EPS before and after Extraordinary items (not annualised)		
	- Basic	(1.87)	(2.09)
	- Diluted	(1.87)	(2.09)

Arshiya Limited
Mumbai

Arshiya Limited

CIN: L93000MH1981PLC024747

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 unaudited (Provisional) financial results as reviewed by the Audit Committee, have been approved and taken on record at the meeting of the Board of Directors held on 26th August, 2017. The limited review as required as per listing agreement has been carried out by the Statutory Auditors of the Company.

2) The Company has adopted Indian Accounting Standards ("Ind AS") notified by the Ministry of Corporate Affairs w.e.f. 1st April, 2017 and accordingly these financial results have been prepared in accordance with the recognition and measurement principles laid down in the Ind AS 34 – "Interim Financial Reporting" prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder.

3) The Ind AS compliant financial results pertaining to quarter ended on 30th June, 2016 have not been subjected to Review/Audit. However, the Management has exercised necessary due diligence to ensure that the results provide a true and fair view of its affairs.

4) The reconciliation of net loss reported for the quarter ended 30th June, 2016 in accordance with Indian GAAP to total comprehensive income in accordance with Ind AS is given below:

(Rs. in Lakhs)

Sr. No.	Particulars	Quarter ended 30th Jun, 2016
a.	Net Loss as per Indian GAAP	(3,361.13)
b.	Fair value of loan to subsidiaries	41.41
c.	Fair value of financial guarantees	207.17
d.	Fair value of financial liabilities	(146.06)

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e.	Employee benefits – actuarial loss on defined benefit plan reclassified to Other Comprehensive Income (OCI)	2.26
f.	Expected credit loss on financial assets	(5.62)
g.	Prior period item adjusted	2.77
h.	**Net Loss before OCI as per Ind AS**	**(3,259.20)**
i.	Other comprehensive income (OCI)	(2.26)
j.	**Total Comprehensive income under Ind AS**	**(3,261.46)**

5) Other expenses for the current quarter includes Rs.139 lakhs towards loss on de-recognition of financial liability on account of settlement with the Bank.

6) <u>**For the Quarter ended 30th, June 2016**</u>

Pending finalization of the terms of restructuring with ARC, the Company had not provided for interest of Rs. 2,231.98 lakhs for the quarter ended June, 2016. Further consequent to CDR exit the Company had not provided for additional interest estimated at Rs.362.03 lakhs for the quarter ended June, 2016. Hence, had the Company provided for interest as stated above, the finance costs would have been higher by Rs. 2,594.01 lakhs i.e. 6,311.34 lakhs instead of Rs. 3,717.33 lakhs.

7.1) **Re-structuring of loans assigned by Lenders to Edelweiss Asset Reconstruction Company Limited (EARC)(Lender on behalf of the various EARC Trusts):**

Various Lenders of the company, comprising of 9 banks have assigned their term loans and working capital loan (Loans) to EARC (as trustee of EARC Trusts). Post assignment of loans, EARC has become a secured lender of the Company and right, title and interest of the lenders have vested in EARC. As per the restructuring package approved by the EARC, loans so assigned as on 31st March 2017, have been restructured.

Pursuant to the assignment of such loans, and in terms of the restructuring package approved by EARC for the loans so assigned, the Company has executed Restructuring Agreement (RA) with EARC, on behalf of EARC Trusts on 31st March 2017. Under the Agreement, the restructured loans post assignment to EARC aggregate to Rs.155,000 lakhs, which constitutes following components:

Arshiya Limited Mumbai

(i) Loans aggregating to Rs.72,000 Lakhs and

(ii) The balance debt of Rs.83,000 Lakhs, includes loan to be converted into Equity and Zero Percent Optionally Convertible Redeemable Preference Shares (OCRPS). Accordingly the Company shall issue to EARC, upto 3,21,62,304 equity shares. After adjustment of the amount to the extent of equity, the Company shall issue 64,23,329 Zero Percent OCRPS - Series I of face value of Rs.10/- each at a price of Rs.1,000/- each (which includes premium of Rs.990/-) to EARC after due process/applicable statutory compliances towards issue of shares.

The above stated OCRPS shall carry a right of conversion into equity shares of the Company. On Conversion, the entire amount of OCRPS shall be adjusted against the allotment of upto 1,54,85,554 equity shares of the Company to EARC.

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With respect to the restructuring package of the subsidiaries approved by EARC, loans to the extent of Rs. 43,200 lakhs have been restructured by allotment of 43,20,000 Zero Percent OCRPS (Series II /Series III/ Series IV) of face value of Rs.10/- each at a price of Rs.1,000/- each (which includes premium of Rs.990/-).

The above stated OCRPS shall carry a right of conversion into equity shares of the company at the option of EARC. On conversion, the entire amount of OCRPS shall be adjusted against the allotment of upto 1,19,11,962 equity shares of the Company to the EARC.

7.3.1) To give effect to the RA the shareholders of the company at the Extra Ordinary General Meeting held on 29th April, 2017 approved the issuance of Equity Shares, Optionally

Arshiya Limited
Mumbai

Convertible Redeemable Preference shares (OCRPS) and Warrants on preferential basis to the Edelweiss Assets Reconstruction Company Limited ("EARC/ Lenders on behalf of various Trusts") (As per the terms stated in 7.1 and 7.2 hereinabove), Promoter and non-Promoters. The allotment of above securities is under process of issuance pending completion of certain statutory compliances.

7.3.2) As per the terms of RA, the Company has not complied with certain covenants and the Company is in the process of getting necessary extension from EARC for the same:

- Per para no 2.5 issue of 3,21,62,304 equity shares with-in 60 days from the date of RA.
- Per para no. 2.9 regarding infusion by the promoters of Rs. 75 crores with-in 60 days from the date of RA.
- Repayment of Rs. 182 crores by 30th April, 2017 as per schedule III of RA. Consequently the Company is liable to Rs 539.54 lakhs on account of penal interest which has not been provided. Had the Company provided for penal interest of Rs. 539.54 lakhs in the current quarter, the loss before tax for the quarter would have been higher by Rs.539.54 lakhs.

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Arshiya Limited
Mumbai

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On the basis of the CT, the Company is required to pay Rs. 3,120 lakhs towards full and final settlement of the amount due and payable to the EARC subject to the Company complying with the "Schedule of Payments" referred to in the CT as per which the entire amount of Rs. 3,120 lakhs ought to be paid as per the installments agreed upto 31st December, 2020.

However, the Company has defaulted in repayment as per CT since 31st March, 2017. During the quarter the Company has not paid a sum of Rs. 150 lakhs due upto 30th June, 2017. Hence, as per clause 13 of the CT, the entire debt of the settlement of dues shall become payable along with interest as per transaction documents till the realization of the debt.

Based on assumption of obtaining a revised "Schedule of Payments", the Company has not provided for interest of Rs. 2379.37 lakhs (including Rs.350.29 lakhs for the current quarter) on the loan assigned to EARC from the date of assignment.

Had the Company reversed the amount written back as stated above of Rs.5,587.69 lakhs and provided for interest of Rs. 2,379.37 lakhs in the current quarter, the loss before tax for the quarter would have been higher by Rs.7967.06 lakhs.

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On the basis of the CT, the Company is required to pay Rs. 3,000 lakhs towards full and final settlement of the amount due and payable to the NBFC subject to the Company complying with the "Schedule of Payments" referred to in the CT as per which the entire

Arshiya Limited Mumbai

amount of Rs. 3,000 lakhs ought to be paid as per the installments agreed upto 31st December, 2017.

However, the Company has defaulted in repayment as per CT since 15th December, 2016. During the quarter the Company has not paid a sum of Rs. 1,800 lakhs due up to 30th June, 2017. Hence, as per clause 10 of the CT, the entire debt of the settlement of dues shall become payable along with interest as per transaction documents till the realization of the debt.

The Company is still negotiating for a revised "Schedule of Payments" and is confident that the concessions provided earlier at the time of entering into CT shall continue.

Based on the assumption of obtaining a revised "Schedule of Payments", the Company has not provided for interest of Rs. 838.47 lakhs (including Rs.219.87 lakhs for the current quarter) on the loan from the date of CT.

Had the Company reversed the amount written back as stated above of Rs.1,719 59 lakhs and provided for interest of Rs. 838.47 lakhs, the loss before tax for the quarter would have been higher by Rs. 2,558.06 lakhs.

7.7) In addition to the above, the Company has not been able to repay dues to a Financial Institution amounting to Rs.15,941.68 lakhs (including overdue interest of Rs.9,303.36 lakhs).

7.8) 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. 273.92 lakhs, creditors for capital expenditure of Rs. 2,056.18 lakhs and statutory dues remaining unpaid to the extent of Rs. 1,218.78 lakhs.

7.9) The Management of the Company is restructuring its business operations as also those of its subsidiaries in which it has substantial investments, by –

- monetization of assets so as to reduce debt and meet pressing creditors requirement,

Arshiya Limited Mumbai

- considering GST implementation, e-commerce business, increasing private freight terminal operations and the plan of the company to enter into domestic warehousing, substantial business growth is envisaged over the years.
- expanding the business volumes by changing product mix,
- entered into long term business agreements with various leading global shipping lines,
- further improvement of the Inland Container Depot (ICD) operations at Khurja,
- obtaining clarity and resolution of the regulatory issues,

The above steps shall enable the Company's ability to generate cash flows to discharge the debts/liabilities in future.

8.) Corporate Guarantee

8.1) With respect to two subsidiaries, the Lead Bank (Bank), on behalf of certain Consortium Banks of those subsidiaries, has initiated debt recovery action under Section 13(2) of Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act) vide notice dated 14th October, 2015 aggregating to Rs. 32,223.46 lakhs (being dues from Arshiya Northern FTWZ Limited) (In the mean while, some of the banks in the consortium entered into agreements for assignment of loans with EARC which in-turn entered in to RA with the Company on 31st March, 2017, whereby dues stand reduced to Rs. 17,450.63 lakhs) and notice dated 19th October, 2015 aggregating to Rs. 58,657.51 lakhs (being dues from Arshiya Industrial & Distribution Hub Limited) (In the mean while, some of the banks in the consortium entered into agreements for assignment of loans with EARC which in-turn entered in to RA with the Company on 31st March, 2017, whereby dues stand reduced to Rs. 29,369.94 lakhs) (the Subsidiaries of the Company). The Bank has also invoked the Corporate Guarantee issued by the Promoter Company, Arshiya Limited and personal guarantees of Promoter Directors i.e. Mr. Ajay S. Mittal and Mrs. Archana A. Mittal. Further on 19th January, 2016 the Company received a Notice of possession from the Authorized Officer of the Bank under power conferred on the Bank u/s 13(4) of the said Act read with Rule 8(i) of the Rules. There is no further action/development under SARFAESI Act.

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8.2) The subsidiaries have requested the Banks to withdraw the said notices and support their revival efforts.

8.3) Given the above, the Company is of the view that:

i. at this juncture there is no obligation which is expected to result in an outflow of the resources from the Company and hence not provided for.

ii. Disclosure of the Corporate Guarantees issued by the Company to the Consortium Banks on behalf of its subsidiaries under the head Contingent Liabilities not provided for in respect of Guarantees given is adequate.

9) The Company holds strategic and long term investments aggregating to Rs. 1,34,148.75 lakhs by way of equity shares in subsidiaries. The present "net asset value" of the said investments are either negative/lower than their respective costs of acquisition. However these subsidiaries are implementing their respective Revival Plans along with the future business plans of the Company and hence Management is of the view that the diminution in value of its investments being temporary in nature, no provision for diminution in value is called for at this juncture.

10) The Company had applied for waiver of recovery of excess remuneration of Rs. 83.52 lakhs paid to its Whole Time Director (Director) in the earlier year which was rejected by the Ministry of Corporate Affairs vide their letter dated 2nd June, 2016, In view of the same, after recovering / adjusting amounts payable to the Director, the Company is in the process of recovering the balance amount of Rs. 37.10 lakhs as on 30th June, 2017.

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

11.1) **Axis Bank**

The Company had terminated the cross currency swap derivative contract with Axis Bank Limited (Bank) on 30th September, 2015 for an agreed valuation of Rs. 4,200 lakhs of which the balance as on 27th June, 2017 is Rs.2,659.79 lakhs. The Company has received proposal from the Bank for the repayment of this crystallized liability of Rs. 2,659.79 lakhs as follows:

Mumbai

a. Term loan of Rs. 1,500 lakhs.

b. Investments in equity shares of the Company for a balance amount of Rs. 1,159.79 lakhs as per SEBI (ICDR) Guidelines on Preferential Issue.

The proposal is pending for compliance with regulatory requirements.

11.2) 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 lakhs, which are disputed by the Company and hence, not provided for.

12) Exceptional items for the quarter ended 30th June,2017 are as under:

(Rs. in lakhs)

Sr. No.	**Particulars**	**Quarter ended 30th Jun, 2017**
i.	Provision for legal claim	26.15
	Total	**26.15**

13) 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.

14) The Company is primarily engaged in developing and operating Free Trade Warehousing Zone (FTWZ) which constitute a single reportable segment. Accordingly, the Company is single segment company in accordance with Ind- AS 108 "Operating Segment".

Arshiya Limited Mumbai

15) During the previous year Arshiya Rail Infrastructure Limited a subsidiary of the Company had filed an application, for the merger of Arshiya Industrial & Distribution Hub Limited and Arshiya Transport & Handling Limited (subsidiaries of the Company) with Arshiya Rail Infrastructure Limited, before the National Company Law Tribunal (NCLT). The impact of this proposed merger will be recognized on receipt of the Order from the NCLT.

16) Certain balances relating to trade receivables and loans and advances outstanding as on 30th June, 2017 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.

17) Impact on Deferred Tax Assets on account of Ind AS adjustments has not been considered since the Company, in accordance with past practice, has thought it prudent not to give such effect till there is reasonable certainty of earning profits to set-off past losses/ unabsorbed depreciation.

18) The corresponding quarter figures for the previous year 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

Arshiya Limited
Mumbai

Place: Mumbai
Date: 26th August, 2017

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 FINANCIAL RESULTS FOR THE QUARTER ENDED ON 30TH JUNE, 2017

(Rs. In Lakhs)

Sr.No.	Particulars	Quarter Ended	
		30.06.2017 (Unaudited)	30.06.2016 (Unaudited)
1	**Revenue**		
	(a) Revenue from operations	7,366.38	6,483.48
	(b) Other Income	184.13	180.20
	Total Revenue	**7,550.51**	**6,663.68**
2	**Expenses**		
	(a) Cost of operations	4,474.65	3,799.62
	(b) Employee benefits expense	924.49	930.29
	(c) Finance costs (Refer Note No. 5)	8,403.02	8,059.33
	(d) Depreciation and amortization expense	2,091.00	2,358.08
	(e) Other expenses (Refer Note No. 4)	1,109.61	903.42
	Total Expenses (a+b+c+d+e)	**17,002.77**	**16,050.74**
3	**Profit/(Loss) befor exceptional and extraordinary items and Tax (1-2)**	**(9,452.26)**	**(9,387.06)**
4	Exceptional Items (Net)	26.15	396.76
5	**Profit/(Loss) before extraordinary items and tax (3-4)**	**(9,478.41)**	**(9,783.82)**
6	Tax expense	-	-
7	**Net profit/(Loss) after Tax (5-6)**	**(9,478.41)**	**(9,783.82)**
8	**Other Comprehensive Income**		
A	**Other Comprehensive income not to be reclassified to profit and loss in subsequent periods:**		
	Remeasurement of gains (losses) on defined benefit plans	(2.36)	(2.36)
B	**Other Comprehensive income for the year, net of tax**	-	-
9	**Total Comprehensive Income**	**(9,480.77)**	**(9,786.18)**
10	**Paid-up equity share capital (Face value per share Rs. 2/-)**	**3,123.59**	**3,123.59**
11	**Earnings Per Share (EPS)**		
	EPS before and after Extraordinary items (not annualised)		
	- Basic	(6.07)	(6.27)
	- Diluted	(6.07)	(6.27)

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 SEGMENTWISE REPORT FOR THE QUARTER ENDED JUNE 30, 2017

Sr. No.	Particulars	Quarter Ended	
		30.06.2017 (Unaudited)	30.06.2016 (Unaudited)
1	**Segment Revenue**		
	FTWZ/ICD	2,963.81	2,694.42
	Rail Transport Operations	4,402.57	3,789.06
	TOTAL	**7,366.38**	**6,483.48**
2	**Segment Results**		
	Profit Before Tax and Interest		
	FTWZ/ICD	565.18	459.42
	Rail Transport Operations	(719.64)	(1,014.75)
	Unallocated	(894.78)	(772.40)
	TOTAL	**(1,049.25)**	**(1,327.73)**
	Less: Interest Expenses (Net)	8,403.02	8,059.33
	Profit Before Tax, Exceptional items and Prior Period Adjustments	**(9,452.27)**	**(9,387.06)**
3	**Segment Assets**		
	FTWZ/ICD	2,01,884.64	2,05,776.44
	Rail Transport Operations	58,500.89	62,088.85
	Unallocated	2,20,342.43	2,15,978.57
	Inter Segmental Elimination	(1,46,735.97)	(1,39,799.48)
	TOTAL	**3,33,991.98**	**3,44,044.38**
4	**Segment Liabilities**		
	FTWZ/ICD	33,604.67	53,266.17
	Rail Transport Operations	15,706.39	27,181.13
	Unallocated	30,543.05	70,115.81
	Inter Segmental Elimination	(6,459.89)	(11,663.89)
	TOTAL	**73,394.22**	**1,38,899.22**
5	**Capital Employed**		
	FTWZ/ICD	1,68,279.97	1,52,510.27
	Rail Transport Operations	42,794.50	34,907.72
	Unallocated	1,89,799.38	1,45,862.76
	Inter Segmental Elimination	(1,40,276.08)	(1,28,135.59)
	TOTAL	**2,60,597.77**	**2,05,145.16**

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 Consolidated Results:

1. The above unaudited (Provisional) consolidated financial results as reviewed by the Audit Committee, have been approved and taken on record at the meeting of the Board of Directors held on 26th August, 2017. These results are being presented as an additional information though the company is entitled to the exemption under SEBI circular dated 5th July, 2016.

   These results have not been subjected to limited review by the Statutory Auditors of the company.

2. The Group turnover has increased by Rs.882.90 lakhs as compared to the corresponding previous quarter, mainly attributable to increased business activities in Arshiya Rail Infrastructure Limited (ARIL) and at FTWZ Panvel.

3. The reconciliation of net loss reported for the quarter ended 30th June, 2016 in accordance with Indian GAAP to total comprehensive income in accordance with Ind AS is given below:

(Rs. in Lakhs)

Sr. No.	Particulars	Quarter ended 30th Jun, 2016
a.	**Net Loss as per Indian GAAP**	**(9,579.48)**
b.	Change in revenue recognition as per percentage of completion method	40.48
c.	Fair value of financial liabilities	(146.06)
d.	Employee benefits – actuarial loss on defined benefit plan reclassified to Other Comprehensive Income (OCI)	2.36
e.	Expected credit loss on financial assets	(106.97)
f.	Prior period item adjusted	5.85
g.	**Net Loss before OCI as per Ind AS**	**(9,783.82)**
h.	Other comprehensive income (OCI)	(2.36)
	Total Comprehensive income under Ind AS	**(9,786.18)**

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4. Other expenses for the current quarter includes Rs.139 lakhs towards loss on de-recognition of financial liability on account of settlement with the Bank.

5. **For the Quarter ended 30th, June 2016**

Pending finalization of the terms of restructuring with ARC, the Group had not provided for interest of Rs. 4,340.62 lakhs for the quarter ended June, 2016. Further consequent to CDR exit the Group had not provided for additional interest estimated at Rs.636.98 lakhs for the quarter ended June, 2016. Hence had the Group provided for interest as stated above, the finance costs would have been higher by Rs.4,977.60 lakhs i.e. Rs.13,036.93 lakhs instead of Rs.8,059.33 lakhs.

6.1 **Re-structuring of loans Assigned by Lenders to Edelweiss Asset Reconstruction Company Limited (EARC) (Lender on behalf of the various EARC Trusts), which was approved by the Board of Directors at meeting held on 30th March, 2017:**

Various Lenders of the Group, comprising of 15 banks have assigned their loans to EARC (as trustee of EARC Trusts). Post assignment of loans, EARC has become secured lender of the Group and right, title and interest of the lenders have vested into EARC. As per restructuring package approved by the EARC, loans so assigned as on 31st March 2017, have been restructured.

Pursuant to the assignment of such loans, and in terms of the restructuring package approved by EARC for the loans so assigned, the Group has executed Restructuring Agreement (RA) with EARC, on behalf of EARC Trusts on 31st March 2017. Under the Agreement, the loans assigned to EARC aggregating to Rs.2,60,000 lakhs:

(i) Stand restructured, merged and converted into Restructured Loans aggregating to Rs.1,33,800 lakhs and

(ii) the balance debt of Rs.1,26,200 lakhs, includes loan to be converted into Equity and Zero Percent Optionally Convertible Redeemable Preference Shares (OCRPS). Accordingly the Holding Company shall issue to EARC, upto 3,21,62,304 equity shares. After adjustment of the amount to the extent of equity, the Holding Company shall issue 1,07,43,329 Zero Percent OCRPS (Series I/Series II/Series III/Series IV) of face value of Rs.10/- each at a price of Rs.1,000/- each (which includes premium of

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Rs.990/-) to EARC, after due process/applicable statutory compliances towards issue of shares.

The above stated OCRPS shall carry a right of conversion into equity shares of the Holding Company. On Conversion, the entire amount of OCRPS shall be adjusted against the allotment of upto 2,73,97,516 equity shares of the Holding Company to EARC.

6.2 Since the RA is binding on both parties, the amounts representing the share capital portion of "Equity shares" and "Zero Percent OCRPS" and premium amounts as referred to in 6.1(ii) aggregating to Rs.1,26,200 lakhs have been presented as "Debt Convertible into Equity Shares and Zero Percent Optionally Convertible Redeemable Preference Shares" between Shareholder's Fund and Non-Current Liabilities pending due process/applicable statutory compliances.

6.3.1 To give effect to the RA, the shareholders of the Holding Company at the Extra Ordinary General Meeting held on 29th April, 2017 approved the issuance of Equity Shares, Optionally Convertible Redeemable Preference shares (OCRPS) and Warrants on preferential basis to the Edelweiss Assets Reconstruction Company Limited ("EARC/ Lenders on behalf of various Trusts") (As per the terms stated in 6.1 and 6.2 hereinabove), Promoter and non-Promoters. The allotment of above securities is under process of issuance pending completion of certain statutory compliances.

6.3.2 As per the terms of RA, the Holding Company has not complied with certain covenants and the Company is in the process of getting necessary extension from EARC for the same:

- Per para no 2.5 issue of 3,21,62,304 equity shares with-in 60 days from the date of RA.
- Per para no. 2.9 regarding infusion by the promoters of Rs. 75 crores with-in 60 days from the date of RA.
- Repayment of Rs.196.50 crores by 30th April, 2017 as per schedule III of RA. Consequently the Group is liable to Rs.570.01 lakhs on account of penal interest which has not been provided. Had the Group provided for penal interest of Rs.570.01 lakhs in the current quarter, the loss before tax for the quarter would have been higher by Rs.570.01 lakhs.

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

The Banks revoked the CDR package approved due to Group not being able to fulfill the terms of the CDR package. Accordingly the said Banks are entitled to exercise rights and remedies available under the original loan documents. In the absence of any communication from these banks, the Group has not provided for additional interest from CDR cut-off date till 30th June, 2017 estimated at Rs.10,367.64 lakhs (including Rs.824.43 lakhs for the current quarter) which arises on account of difference between interest rates as approved under CDR package and interest rate decided as per the original sanctioned terms and penal interest on overdue amounts of interest and installments. Had the Group provided for this interest in the current quarter, the Loss before tax for the quarter would have been higher by Rs.10,367.64 lakhs. Upon reconciliation and finalization of the estimated entitlements of these Banks, the Group shall recognize the liability in the books during the period in which finality is reached.

6.5 A Bank had assigned its loan to EARC aggregating to Rs.8,707.69 lakhs (Being principal Rs.4,950.00 lakhs and interest Rs.3,757.69 lakhs) on the same terms and conditions of the original financing documents. The EARC and the Holding Company had filed Consent terms (CT) on 18th December, 2015 in relation to "Winding up Proceedings" with the Hon'ble Bombay High Court.

On the basis of the CT, the Holding Company is required to pay Rs.3,120 lakhs towards full and final payment of the amount due and payable to the EARC subject to the Holding Company complying with the "Schedule of Payments" referred to in the CT as per which the entire amount of Rs. 3,120 lakhs ought to be paid before 31st December, 2020.

However, the Holding Company has not paid a sum of Rs. 150 lakhs due till 30th June, 2017. Hence, as per clause 13 of the CT, the entire debt of the settlement of dues shall become payable along with interest as per transaction documents till the realization of the debt.

Based on assumption of obtaining a revised "Schedule of Payments", the Company has not provided for interest of Rs.2,379.37 lakhs (including Rs.350.29 lakhs for the current quarter) on the loan assigned to EARC from the date of assignment.

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Had the Holding Company reversed the amount written back as stated above of Rs.5,587.69 lakhs and provided for interest of Rs. 2,379.37 lakhs in the current quarter, the loss before tax for the quarter would have been higher by Rs.7,967.06 lakhs.

6.6 A Non-Banking Financial Company (NBFC) and the Holding Company had filed Consent Terms (CT) on 27th September, 2016 with the Hon'ble Bombay High Court for dues aggregating to Rs.4,719.59 lakhs (including interest of Rs.2,052.93 lakhs).

On the basis of the CT, the Holding Company is required to pay Rs.3,000 lakhs towards full and final payment of the amount due and payable to the NBFC subject to the Holding Company complying with the "Schedule of Payments" referred to in the CT as per which the entire amount of Rs. 3,000 lakhs ought to be paid on or before 31st December, 2017.

However, the Holding Company has not paid a sum of Rs.1,800 lakhs due up to 30th June, 2017. Hence, as per clause 10 of the CT, the entire debt of the settlement of dues shall become payable along with interest as per transaction documents till the realization of the debt.

The Holding Company is still negotiating for revised "SOP" and is confident that the concessions provided earlier the time of entering into CT shall continue.

Based on the assumption of obtaining a revised "Schedule of Payments", the Company has not provided for interest of Rs. 838.47 lakhs (including Rs.219.87 lakhs for the current quarter) on the loan from the date of CT.

Had the Holding Company reversed the amount written back as stated above of Rs.1,719.59 lakhs and provided for interest of Rs. 838.47 lakhs, the loss before tax for the quarter would have been higher by Rs. 2,558.06 lakhs.

6.7 In addition to the above, the Holding Company has not been able to repay dues to a Financial Institution amounting to Rs. 15,941.68 lakhs (including overdue interest of Rs. 9,303.36 lakhs).

6.8 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. 642.72 lakhs, creditors for

Arshiya Limited Mumbai

capital expenditure of Rs.8,563.87 lakhs and statutory dues remaining unpaid to the extent of Rs.3,236.37 lakhs.

6.9 The Management of the Group is restructuring its business operations as also those of its subsidiaries in which it has substantial investments, by –

- monetization of assets so as to reduce debt and meet pressing creditors requirement,
- considering GST implementation, e-commerce business, increasing private freight terminal operations and the plan of the company to enter into domestic warehousing, substantial business growth is envisaged over the years.
- expanding the business volumes by changing product mix,
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The above steps shall enable the Group's ability to generate cash flows to discharge the debts/liabilities in future.

7 Corporate Guarantee

7.1 With respect to two subsidiaries, the Lead Bank (Bank), on behalf of certain Consortium Banks of those subsidiaries, has initiated debt recovery action under Section 13(2) of Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act) vide notice dated 14th October, 2015 aggregating to Rs. 32,223.46 lakhs (being dues from Arshiya Northern FTWZ Limited) (In the mean while, some of the banks in the consortium entered into agreements for assignment of loans with EARC which in-turn entered in to RA with the Subsidiary Company on 31st March, 2017, whereby dues stand reduced to Rs.17,450.63 lakhs) and notice dated 19th October, 2015 aggregating to Rs.58,657.51 lakhs (being dues from Arshiya Industrial & Distribution Hub Limited) (In the mean while, some of the banks in the consortium entered into agreements for assignment of loans with EARC which in-turn entered in to RA with the Subsidiary Company on 31st March, 2017, whereby dues stand reduced to Rs. 29,369.94 lakhs) (the Subsidiaries of the Company). The Bank has also invoked the Corporate Guarantee issued by the Promoter Company, Arshiya Limited and personal guarantees of Promoter Directors i.e. Mr. Ajay S Mittal and Mrs. Archana A Mittal. Further on 19th January, 2016 the Company received a Notice of possession from the Authorized Officer of the Bank under power conferred on the Bank u/s 13(4) of the

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said Act read with Rule 8(i) of the Rules. There is no further action/development under SARFAESI Act.

7.2 The Subsidiaries have requested the Banks to withdraw the said notices and support their revival efforts.

7.3 Given the above, the Holding Company is of the view that:

i. at this juncture there is no obligation which is expected to result in an outflow of the resources from the Holding Company and hence not provided for.

ii. Disclosure of the Corporate Guarantees issued by the Holding Company to the Consortium Banks on behalf of its subsidiaries under the head Contingent Liabilities not provided for in respect of Guarantees given is adequate.

8. The Holding Company had applied for waiver of recovery of excess remuneration of Rs. 83.52 lakhs paid to its Whole Time Director (Director) in the earlier year which was rejected by the Ministry of Corporate Affairs vide their letter dated 2nd June, 2016, In view of the same, after recovering / adjusting amounts payable to the Director, the Holding Company is in the process of recovering the balance amount of Rs. 37.10 lakhs as on 30th June, 2017.

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a. Term loan of Rs. 1,500 lakhs.

b. Investments in equity shares of the Holding Company for a balance amount of Rs. 1,159.79 lakhs as per SEBI (ICDR) Guidelines on Preferential Issue.

The proposal is pending for compliance with regulatory requirements.

Arshiya Limited
Mumbai

9.2. 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 lakhs, which are disputed by the Holding Company and hence, not provided for.

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(Rs. in lakhs)

Sr. No.	Particulars	Quarter ended 30th Jun, 2017
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	Total	**26.15**

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12. The group operates in two primary reportable segments i.e. "FTWZ/ICD" and "Rail Transport Operations" and in a single geographical segment i.e. India in accordance with Ind-As 108 "Operating Segment".

13. During the previous year Arshiya Rail Infrastructure Limited a subsidiary of the Holding Company had filed an application, for the merger of Arshiya Industrial & Distribution Hub Limited and Arshiya Transport & Handling Limited (subsidiaries of the Holding Company) with Arshiya Rail Infrastructure Limited, before the National Company Law Tribunal (NCLT). The impact of this proposed merger will be recognized on receipt of the Order from the NCLT.

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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.

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16. The corresponding quarter figures for the previous year 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: 26th August, 2017