

Ref: AL/SE/1217/03

Date: 06/12/2017

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 and Half year ended 30th September, 2017

Dear Sir/Madam,

This is to inform you that the Board of Directors of the Company at its meeting held today, have considered, approved and taken on record the Unaudited Financial Results (Standalone and Consolidated) for the Quarter and Half year ended 30th September, 2017.

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

This is for your information and record.

The Meeting of the Board of Directors commenced at 02:00 P.M. and ended at 06.30 P.M.

Thanking you.

Yours faithfully,
For ARSHIYA LIMITED

Savita Dalal
Company Secretary & Compliance Officer



Arshiya Limited

INDEPENDENT AUDITORS' REVIEW REPORT

TO THE BOARD OF DIRECTORS OF ARSHIYA LIMITED

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **ARSHIYA LIMITED** ("the Company") for the quarter and half year ended 30th September 2017 ("the Statement") being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with Circular No. CIR/CFD/FAC/62/2016 dated 5th July 2016.
2. The preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting (Ind AS - 34) prescribed under section 133 of the Companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015 and SEBI Circular No. CIR/CFD/FAC/62/2016 dated 5th July 2016 is the responsibility of the Company's management and has been approved by the Board of Directors of the Company. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. **Basis for Qualified Conclusion**
 - 4.1 *As mentioned in Note no. 9 of the Statement, current maturity of borrowing include amount due to Edelweiss Assets Reconstruction Company Limited (EARC). As per debt covenant of Restructuring Agreement (RA), the Company is required to adhere to repayment schedule and such event of default gives EARC right to convert whole of the outstanding amount of restructured rupee loan and/or part of the default amount into fully paid up equity shares of the Company. Pending exercise of conversion right, the Company continues to disclose such amount as borrowing. Further, the Company is also liable to pay penal interest amounting to Rs. 813.73 Lakh and Rs. 1353.26 Lakh for the quarter and half year ended 30th September 2017, respectively, as per provisions of RA. No provision for such interest is made in the books of account.*



- 4.2 *As mentioned in Note no. 11 of the Statement, the Company failed to adhere to the repayment schedule prescribed in consent terms. As a result event of default has occurred and the entire debt prior to date of settlement become payable along with interest. The Company has not reversed amount written back on settlement of consent terms of Rs. 1719.59 Lakh and not accrued interest amounting to Rs. 1063.94 Lakh pending re-negotiation of revised payment terms, having consequential effects on Total Comprehensive Income.*
- 4.3 *We draw attention to the Note no. 10 of the Statement, wherein it is mentioned that lenders of the two subsidiaries have invoked corporate guarantee given by the Company and no accounting impact of the same is recognised in the books of account pending settlement of the matter, we are unable to comment on the consequential impact, if any, on financial results for the period ended 30th September 2017.*

5. Emphasis of Matter

- 5.1 We draw attention to the Note no. 12 of the Statement, wherein it is mentioned that Company is incurring losses and unable to meet its financial obligations. In view of various steps taken by the management of Company, future outlook as assessed by the management and the business plans, the statement has been prepared on going concern basis.
- 5.2 We draw attention to the Note no. 13 of the Statement, reconciliation and balance confirmations of certain borrowing, trade receivables, loan and advances are not available. Certain lenders and creditors have also 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. The accounting impact of such variations, if any, will be accounted as and when the matter is settled.
- 5.3 We draw attention to the Note no. 2.1 of the Statement, that figures for corresponding quarter and half year ended 30th September 2016 including reconciliation of total comprehensive income under Ind-AS of Corresponding quarter and half year ended 30th September 2016 with loss reported under previous GAAP, as reported in this Statement have been approved by the Company's Board of Directors but have not been subjected to review.

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

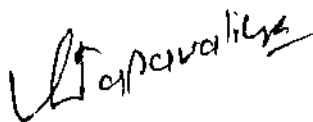


6. Based on our review conducted as above, *except for possible effects of our observations described in the Basis of Qualified Conclusion paragraph 4 above* and read with our comments in paragraph 5 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared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

7. Other matter

Figures for the quarter ended 30th June 2017 have been reviewed by M. A. Parikh & Co., Chartered Accountants (Firm registration no. 107556W). We have traced figures for this quarter from the published financial results. The figures for the quarter ended 30th September 2017 is balancing figures between figures in respect of half year ended 30th September 2017 and published figures for the quarter ended 30th June 2017. Our conclusion is not modified in respect of the said matter.

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



Vijay Napawaliya
Partner
Membership Number: 109859



Place: Mumbai
Date: 6th December 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 AND HALF YEAR ENDED ON 30TH SEPTEMBER, 2017

(Rs. in Lakh)

Sr.No.	Particulars	Quarter Ended			Half Year Ended	
		30.09.2017	30.06.2017	30.09.2016	30.09.2017	30.09.2016
1	Income					
	(a) Revenue from operations	2,404.27	1,815.11	2,157.03	4,219.38	3,955.17
	(b) Other Income	195.00	230.10	196.79	425.10	469.96
	Total Income	2,599.27	2,045.21	2,353.82	4,644.48	4,425.13
2	Expenses					
	(a) Material Handling and Other Charges	100.94	89.82	75.07	190.76	142.97
	(b) Employee benefits expense	364.45	369.29	343.25	733.74	694.16
	(c) Finance costs	4,185.95	3,747.80	3,718.33	7,933.75	7,435.66
	(d) Depreciation and amortization expense	432.78	433.16	477.31	865.94	959.21
	(e) Other expenses	319.09	301.51	313.39	620.60	625.13
	Total Expenses (a+b+c+d+e)	5,403.21	4,941.58	4,927.35	10,344.79	9,857.13
3	Profit/(Loss) before exceptional items and Tax (1-2)	(2,803.94)	(2,896.37)	(2,573.53)	(5,700.31)	(5,432.00)
4	Exceptional Items (Net) (Refer Note No.15)	(558.47)	26.15	(313.50)	(532.32)	87.23
5	Profit/(Loss) before tax (3-4)	(2,245.47)	(2,922.52)	(2,260.03)	(5,167.99)	(5,519.23)
6	Tax expense	-	-	-	-	-
7	Net profit/(Loss) after Tax (5-6)	(2,245.47)	(2,922.52)	(2,260.03)	(5,167.99)	(5,519.23)
8	Other Comprehensive Income					
	Items that will not be reclassified to profit and loss:					
	Remeasurement of net defined benefit plan	(2.25)	(2.26)	(2.26)	(4.51)	(4.51)
9	Total Comprehensive Income	(2,247.72)	(2,924.78)	(2,262.29)	(5,172.50)	(5,523.74)
10	Paid-up equity share capital (Face value per share Rs. 2/-)	3,123.59	3,123.59	3,123.59	3,123.59	3,123.59
11	Earnings Per Equity Share (EPS) (not annualised)					
	- Basic	(1.44)	(1.87)	(1.45)	(3.31)	(3.53)
	- Diluted	(1.44)	(1.87)	(1.45)	(3.31)	(3.53)



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Arshiya Limited

CIN: L93000MH1981PLC024747

Registered Office: 302, Level 3, Ceejay House, Shiv Sagar Estate, F-Block,

Dr. Annie Besant Road, Worli, Mumbai- 400 018

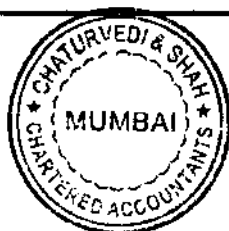
Phone No. 022 42305500 # Email id: info@arshiyalimited.com #

website: www.arshiyalimited.com

UNAUDITED STANDALONE BALANCE SHEET AS AT 30TH SEPTEMBER, 2017

(Rs. in Lakh)

Sr.No.	Particulars	As at 30.09.2017
I	ASSETS	
	Non-Current Assets	
	(a) Property, Plant and Equipment	1,23,701.97
	(b) Intangible Assets	353.43
	(c) Financial Assets	
	(i) Investments	1,36,063.40
	(ii) Loans	1,638.71
	(d) Other Non-Current Assets	1,821.25
		2,63,578.76
	Current assets	
	(a) Financial Assets	
	(i) Trade Receivables	1,700.53
	(ii) Cash and Cash Equivalents	63.72
	(iii) Bank Balances Other than (ii) above	0.10
	(iv) Loans	3,550.85
	(b) Other Current Assets	2,302.21
		7,617.41
	Total Assets	2,71,196.17
II	EQUITY AND LIABILITIES	
	Equity	
	(a) Equity Share capital	3,123.59
	(b) Other Equity	1,18,515.76
		1,21,639.35
	Liabilities	
	Non Current Liabilities	
	(a) Financial Liabilities	
	(i) Borrowings	79,233.69
	(ii) Other Financial Liabilities	2,270.93
	(b) Provisions	151.98
	(c) Other Non-Current Liabilities	82.22
		81,738.82
	Current Liabilities	
	(a) Financial Liabilities	
	(i) Borrowings	7,818.79
	(ii) Trade Payables	373.14
	(iii) Other Financial Liabilities	57,095.30
	(b) Other Current Liabilities	2,520.12
	(c) Provisions	10.65
		67,818.00
	Total Equity and Liabilities	2,71,196.17



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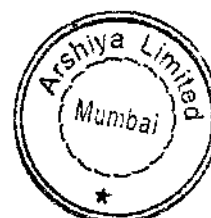
Notes to Standalone Results:-

1. The Audit Committee has reviewed the above results and the Board of Directors has approved the above results and its release on 6th December 2017. The statutory auditors of the Company have carried out limited review for the quarter and half year ended 30th September, 2017.
- 2.1 The Financial Results of the Company have been prepared in accordance with Companies (Indian Accounting Standards) Rules, 2015, as amended, (Ind AS) prescribed under section 133 of the Companies Act, 2013. The Company has adopted Ind AS from 1st April 2017 with a transition date of 1st April 2016. Accordingly, the comparative figures for the quarter and half year ended 30th September 2016 have been restated by the management as per Ind AS and have not been subjected to limited review. However, management has exercised necessary due diligence to ensure that the Financial Results provide a true and fair view of the Company's affairs.
- 2.2 The financial results do not include figures for the previous year ended 31st March 2017. Further, the Company will provide reconciliation of its equity for the previous year ended 31st March 2017 at the time of submitting the audited financial results for the year ended 31st March 2018 as per SEBI circular no. CIR/CFD/FAC/2016 dated 5th July 2016.
3. Reconciliation of net loss as reported in previous GAAP to Ind AS is as under:-

(Rs. In Lakh)		
Particulars	Quarter ended 30 th September 2016	Half Year ended 30 th September 2016
Net Loss as reported under previous GAAP	(2488.68)	(5849.81)
Add / Less :- Adjustments under Ind AS		
Fair value of loan to subsidiaries	41.41	82.82
Fair value of financial guarantees	172.60	379.77
Fair value of financial instrument	6.76	(139.28)
Actuarial loss on defined benefit plan reclassified to other comprehensive income (OCI)	2.26	4.51



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Expected credit loss on financial assets	4.14	(1.49)
Prior period item adjusted	1.48	4.25
Net loss before OCI as per Ind AS	(2260.03)	(5519.23)
Other Comprehensive Income (OCI):- Measurement of actuarial gain on defined benefit plans	(2.26)	(4.51)
Total Comprehensive Income as reported under Ind AS	(2262.29)	(5523.74)

4. The Company has entered into the consent terms with a Bank during the period ended 30th September 2017. Pursuant to consent term, additional liability (net) amounting to Rs. 1158.18 Lakh in respect of termination and liquidation fees of derivative contracts is accounted in the books of account as interest bearing borrowing. As per consent term, the Company will issue equity share in lieu of sum of Rs. 1501.29 Lakh, which are yet to be issued.
5. In respect of dues from State Financial Institution (SFI), it is agreed to settle the dues for Rs. 6700.00 Lakh of which Rs. 5000.00 Lakh shall be paid in cash and balance by way of allotment of zero percent optionally convertible redeemable preference shares of Rs. 1700.00 Lakh. Pending payment, no accounting effects is given in the books accounts.
6. During the period, the Company has agreed for settlement with two lenders in respect of the term loan taken. Pursuant to settlement Rs. 1941.56 Lakh has been written back and is disclosed as exceptional items.
7. The Company has agreed to issue equity shares aggregating to Rs. 1160.00 Lakh in accordance with agreement with a bank for part conversion of crystallized liability due to the bank. Equity shares are yet to be issued pending regulatory compliances.
8. Loans from various lenders have been assigned by banks to Edelweiss Assets Reconstruction Company Limited (EARC). EARC has restructured the loan and executed the Restructuring Agreement (RA) dated 31st March, 2017. In accordance with RA, EARC has converted part debt into restructured debt, balance assigned loan is to be converted into 3,21,62,304 equity shares and 64,23,329 zero percent optionally convertible redeemable preference shares (OCRPS – Series I) of face value of Rs.10 each at a price of Rs.1,000 each (including premium of Rs.990) of the Company, as per extant SEBI rules and regulations.

Certain lenders of wholly owned subsidiaries viz, Arshiya Rail Infrastructure Limited (ARIL), Arshiya Northern FTWZ Limited (ANFL) and Arshiya Industrial Hub Limited (AIDHL) have also assigned their loan to EARC pursuant to Restructuring Agreement executed by respective subsidiaries dated 31st March 2017. Loan amounting to Rs. 43,200.00 Lakh have been



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restructured by allotment of 43,20,000 zero percent OCRPS (Series II / Series III / Series IV) of Rs. 1000 each of the Company. These OCRPS are allotted to EARC in exchange of OCRPS of subsidiaries issued to EARC. These OCRPS have right of conversion into equity shares of Company at the option of EARC. On conversion the entire amount of OCRPS (Series II / Series III / Series IV) shall be adjusted against allotment of 1,19,11,962 equity shares of Company to EARC.

Subsequent to 30th September 2017:-

- (i) In aggregate 4,56,62,304 equity shares of 2 each (including equity shares on conversion of OCRPS Series I, II, III and IV) have been allotted to EARC.
- (ii) Pursuant to RA, the promoters of the Company have also been allotted 1,85,00,000 equity shares, including 85,00,000 equity shares allotted on conversion of 85,00,000 warrants out of 1,00,00,000 warrants issued.
- (iii) Allotted 25,00,000 equity shares on conversion of warrants to non-promoters.

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

9. The Company has defaulted / delayed in compliance of certain terms and conditions of restructuring agreement. The Company has made partial repayment as agreed in amortisation schedule of RA during the half year ended 30th September 2017. As per debt covenant, the Company is required to adhere to repayment schedule and such event of default gives EARC right to convert whole of the outstanding amount of restructured rupee loan and/or part of the default amount into fully paid up equity shares of the Company. No such notice of conversion in writing has been given by the EARC to the Company and the Company continues to disclose amount bifurcated between non-current borrowing and current maturity of borrowing, as per repayment schedule, in the Balance Sheet. The Company has requested EARC to grant necessary extension for repayment period. Further, the Company is also liable to pay penal interest amounting to Rs. 813.73 Lakh and Rs. 1353.26 Lakh which has not been provided for during the quarter and half year ended 30th September 2017, respectively. Had the Company provided the penal interest as mentioned, Total Comprehensive Income for quarter and half year ended would have been lower to that extent. This matter has been qualified by the auditors in their review report.



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10. The Company has given corporate financial guarantees aggregating to Rs. 79359.00 Lakh to the lead bank on behalf of consortium banks of Arshiya Northern FTWZ Limited (ANFL) and Arshiya Industrial and Distribution Hub Limited (AIDHL), wholly owned subsidiaries. These subsidiaries have defaulted in repayment of their loan obligations and lenders have invoked corporate guarantees and initiated recovery of outstanding dues in respect of guarantees extended / executed by the Company. As per invocation notices received, dues are of Rs. 36287.00 Lakh after restructuring of certain borrowing. Notice of possession under power conferred on bank u/s 13(4) of Securities and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 read with rule 8 (i) of Security Enforcement Rules, 2002 is also received. These subsidiaries have requested banks to withdraw the various statutory notices and support its revival efforts. The Company is yet to assess the changes in risk / expected cash shortfall to determine expected credit loss allowance to be recognised in respect of these financial guarantees. No accounting impact of the same is recognised in the books of account at this stage pending settlement of matter. This matter has been qualified by the auditors in their review report.
11. The Company had filed Consent Terms (CT) with Edelweiss Assets Reconstruction Company Limited (EARC) and a Non Banking Finance Company (NBFC) in Hon'ble Bombay High Court in respect of settlement of borrowing. It is required to pay settlement amount as per "Schedule of Payments" given in the CT. The Company has defaulted in repayment as per schedule given in CT. If schedule of payment is not complied with, as per provisions of CT, the entire debt prior to date of settlement of dues shall become payable along with interest as per transaction documents till the realization of the entire debt.

The Company has been granted extension of time by EARC till 31st December 2017 to make payment as per CT. The Company is in process of negotiating revised schedule of payment with the NFBC.

In view of the same, the Company has not reversed amount written back of Rs. 1719.59 Lakh and not accrued interest of Rs. 1063.94 Lakh (including interest of Rs. 225.47 Lakh for the quarter and Rs. 445.34 Lakh for the half year ended 30th September 2017). These borrowings have been classified into current and non-current borrowing and current maturity of non-current borrowing based on repayment schedule as per CT.

Had the Company reversed the amount written back and accrued interest as stated above, the Total Comprehensive Income for the quarter and half



year ended 30th September 2017 would have been lower to that extent. This matter has been qualified by the auditors in their review report.

12. The Company is incurring losses, unable to meet its financial obligations including repayment of various statutory dues and loans, unpaid interest, payment of full and final settlement of employment dues and to fund various obligations pertaining to operations including unpaid creditors / overdue creditors. Certain lenders have recalled its loan given and called upon to pay entire dues and other liabilities and have invoked the personal guarantee of promoter directors. Certain lenders and creditors have also filed winding up petitions / cases and other legal proceeding against the Company and its directors for recovery of the amount due. These circumstances indicate Company's inability to generate sufficient cash flows to discharge the debts and liabilities.

The Company has finalised definitive agreements with Ascendas Property Fund (India) Pte. Limited (Ascendas) for giving long term leasehold rights of its six warehouses situated at the free trade and warehousing zone at Panvel near Mumbai. The said transaction, in the ordinary course of business, is for a total consideration of Rs. 53400.00 Lakh (Rs. 43400.00 Lakh to be received on transaction closing and Rs. 10000.00 Lakh to be received over four years from transaction closing based on certain performance milestones). The consideration shall be received post completion of "condition precedents" as agreed upon in the definitive agreements.

The management has also initiated various steps such as giving its warehouse on long term lease basis as mentioned above, construction funding and future development within FTWZ, restructuring Company's and subsidiaries business operations by increasing private freight terminal operations and to enter into domestic warehousing, to expand the business volumes by changing product mix, entering into long term business agreements with various leading shipping lines, improvement of the inland container depot operations at Khurja, etc. Considering the strength of Company's locational advantages, future outlook as assessed by the management and business plan, the Company is confident to continue as a going concern. The long term prospects of the Company, however, are dependent on various factors. These financial results have accordingly been prepared on going concern basis. This matter has been referred to, by the auditors in their review report as emphasis of matter.

- 13.1 Certain borrowings, trade receivables and loan and advances given are subject to reconciliation and confirmation, hence impact, if any, is presently not ascertainable. Further, borrowings, interest and other charges have been accounted on the basis of information available with the Company and its understanding of sanction letters / agreements.
- 13.2 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



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been contested by the Company in those proceedings and not acknowledged as debts.

- 13.3 The accounting impact of the above, if any, shall be carried out upon completion of reconciliation / settlement. This matter has been referred to, by the auditors in their review report as emphasis of matter.
14. The Company has elected to apply Indian GAAP carrying amount as deemed cost on the date of transition to Ind AS for its equity investments in subsidiaries. These subsidiaries are implementing their respective business restructuring and revival plans, hence based on the assessment carried out by the management of the Company, no impairment loss on investment in subsidiaries is considered necessary.
15. Exceptional item for the half year ended 30th September 2017 represents net of additional liability accounted of Rs. 1629.12 Lakh and reversal of liability of Rs. 2161.44 Lakh, on litigation settlement and restructuring of liabilities / borrowings.
16. Net deferred tax asset is not recognised as there is no convincing evidence that sufficient taxable profit will be available against which the unused tax losses will be utilised by the Company.
17. The Company is primarily engaged in developing and operating free trade warehousing zone (FTWZ) which constitutes single reportable segment in accordance with Ind AS 108 "Operating Segment". There is no separate reportable segment.
18. The figures for the previous period/year have been re-grouped/ re-classified/ re-arranged, wherever necessary, to correspond with the current period's classification/disclosure.

For and on behalf of Board of Directors of
Arshiya Limited



Ajay S Mittal
Chairman and Managing Director
DIN: 00226355



Place: Mumbai
Date: 6th December 2017