

INVESTOR UPDATE



# ARSHIYA INTERNATIONAL LTD.

Q1FY13



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## Financial Highlights

### ■ Financial Performance – Q1 FY13

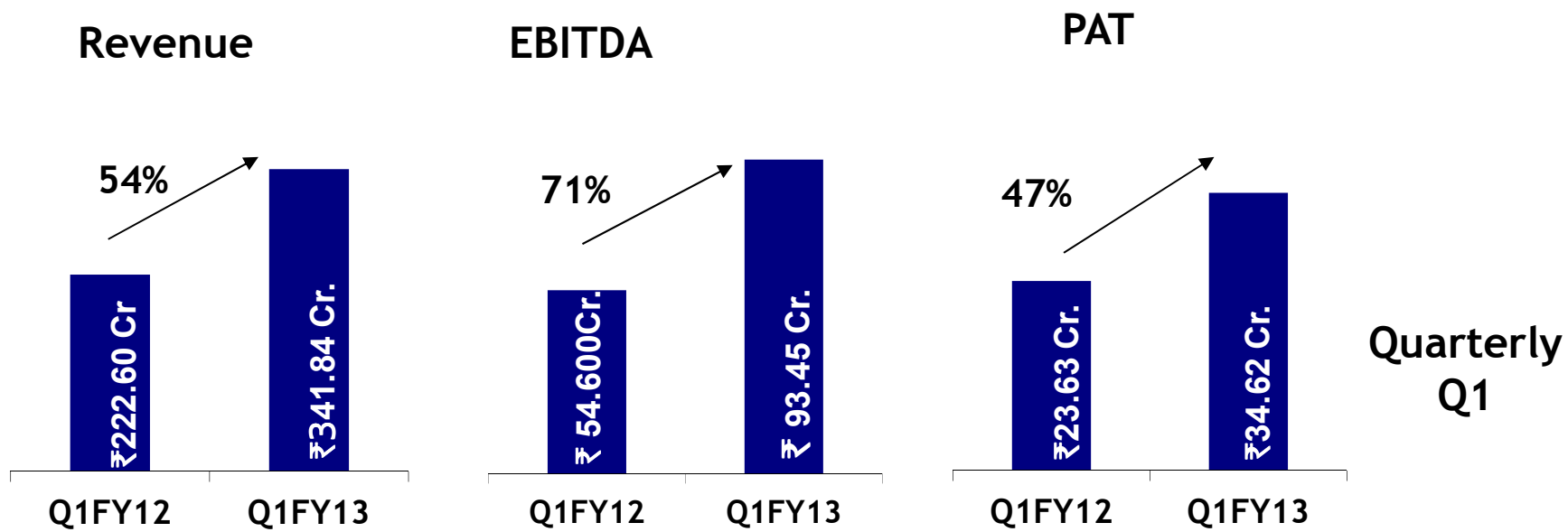
- Consolidated total revenues for Q1 FY13 at ₹341.84 crore, an increase of 54% from ₹222.60 crore in Q1 FY12
- Consolidated EBITDA for Q1 FY13 at ₹93.45 crore, an increase of 71% from ₹54.60 crore in Q1 FY12
- Consolidated PAT for Q1 FY13 at ₹34.62 crore, an increase of 47% from ₹23.63 crore in Q1 FY12
- EBITDA margin moved up to 27.3% from 24.5%
- Basic EPS for Q1 FY13 was at ₹5.88 compared to ₹4.02 for Q1 FY12

## Highlights

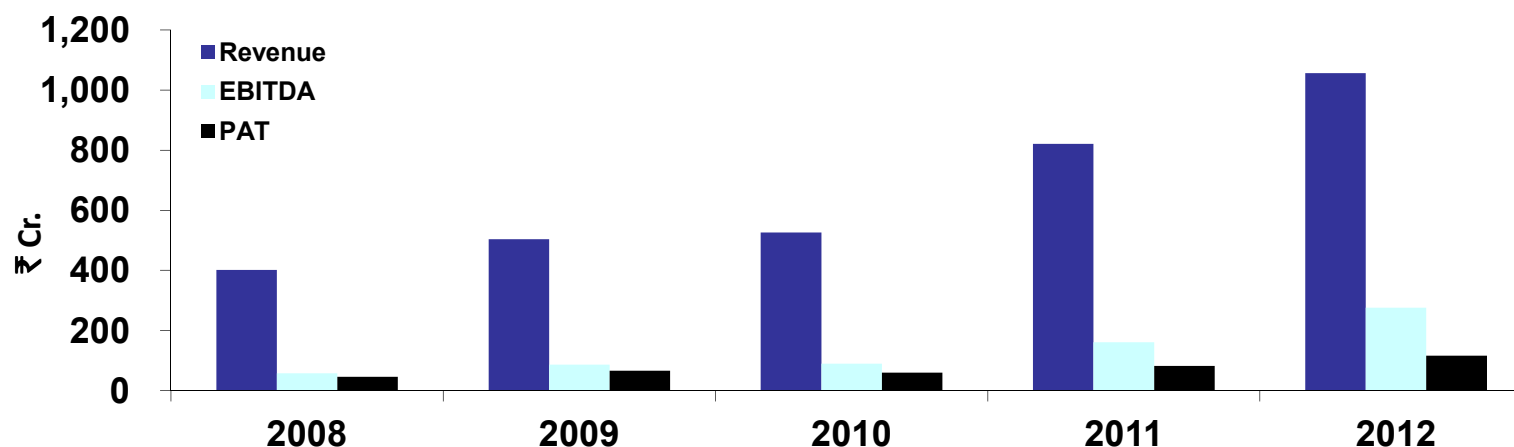
### ■ Key Highlights

- Communication and information technology major Cisco Systems Inc., a Fortune 500 company headquartered in US has commenced regional distribution activities from Arshiya International's Panvel FTWZ catering to its markets in the Indian subcontinent.
- Arshiya Rail Infrastructure Ltd (ARIL) has signed a long term deal with GATX India Private Limited, a subsidiary of GATX Corporation, to lease its rakes to ARIL. GATX globally is one of the world's leading railcar leasing companies.

## Performance Comparison



## Performance Overview



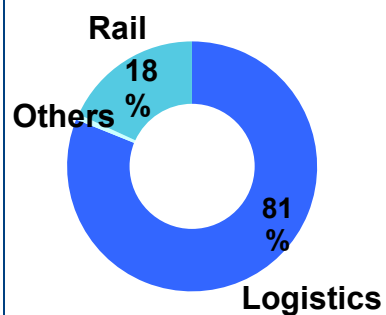
| Consolidated             | FY 2008 | FY 2009 | FY 2010 | FY 2011 | FY 2012 |
|--------------------------|---------|---------|---------|---------|---------|
| Operating Income — ₹ Cr. | 401.2   | 503.0   | 525.9*  | 821.5   | 1057.3  |
| EBITDA — ₹ Cr.           | 51.4    | 73.5    | 86.1*   | 159.2   | 271.6   |
| PAT — ₹ Cr.              | 45.4    | 65.6    | 98.3    | 82.0    | 120.8   |
| EPS — ₹ per share        | 9.4     | 11.3    | 16.7    | 14.0    | 20.5    |

\* Operating Income and EBITDA excludes income from sale of software marketing rights of INR 38.89 cr whereas PAT includes the same

## Segmental Revenues

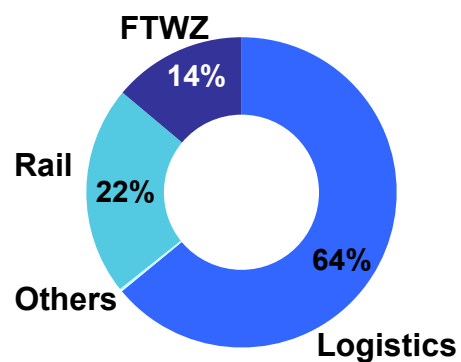
**Q1 FY 2011**

**₹ 176.95 Cr.**



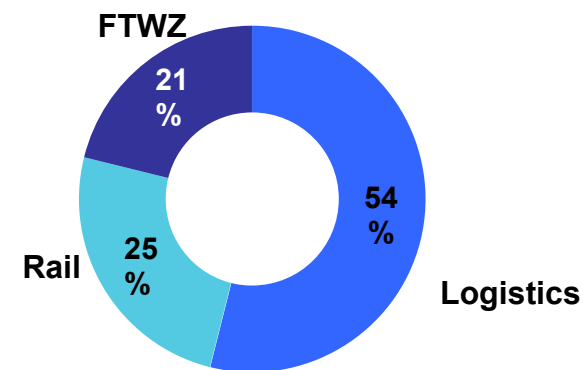
**Q1 FY 2012**

**₹ 222.60 Cr.**



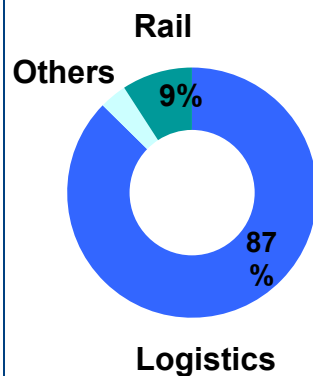
**Q1 FY 2013**

**₹ 341.84 Cr.**



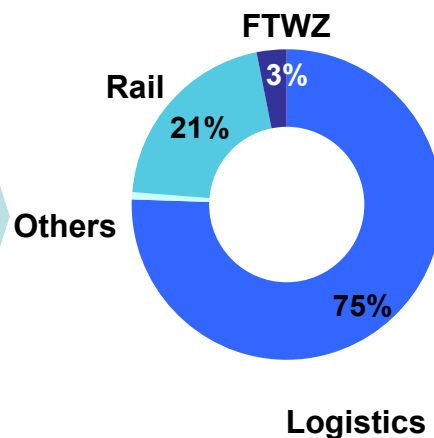
**FY 2010**

**525.89 Cr.**



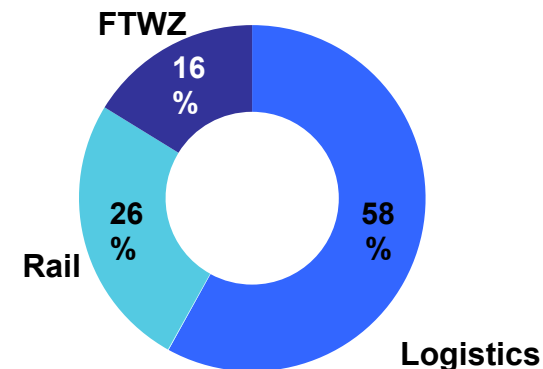
**FY 2011**

**₹ 821.52 Cr.**



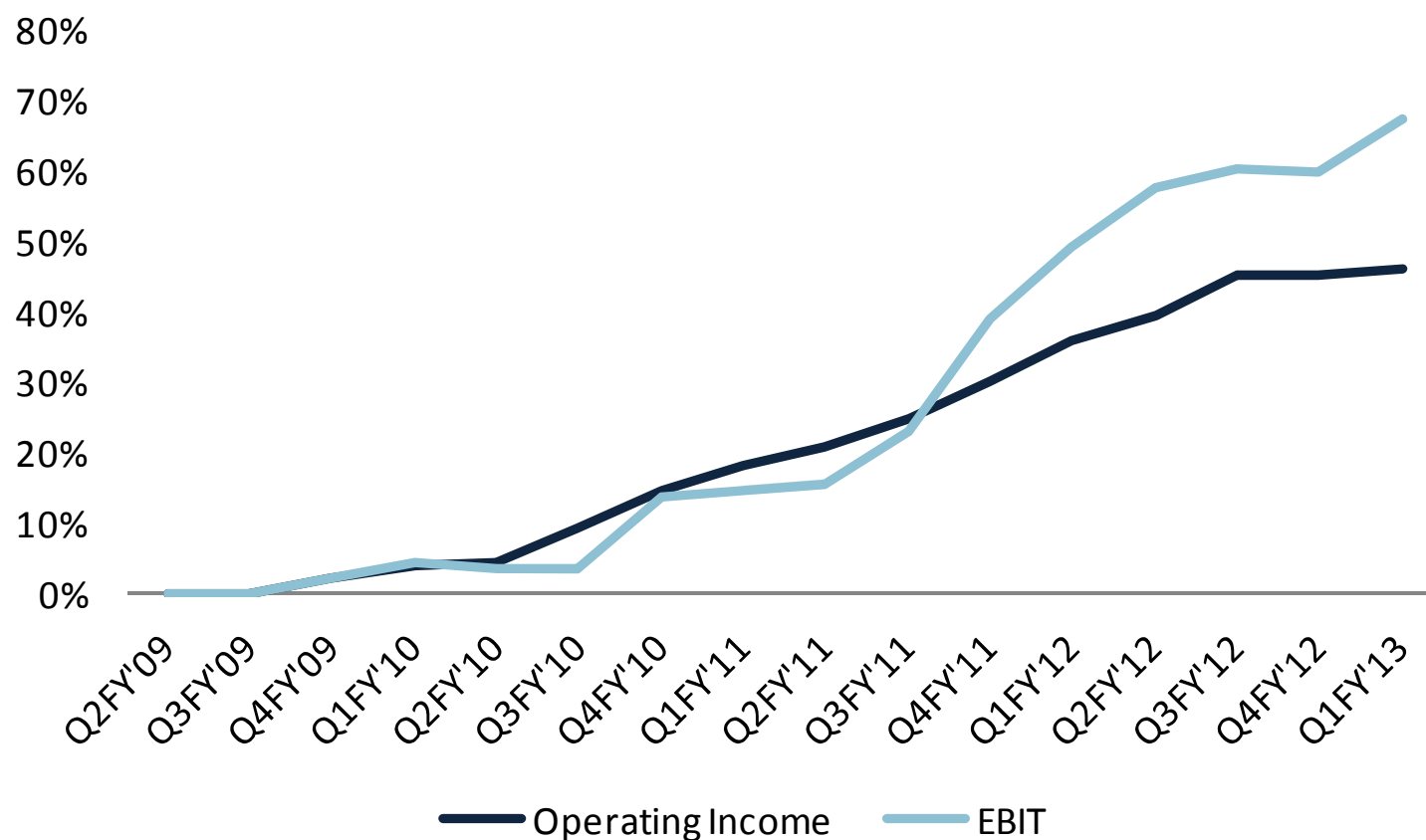
**FY 2012**

**₹ 1057.33 Cr.**

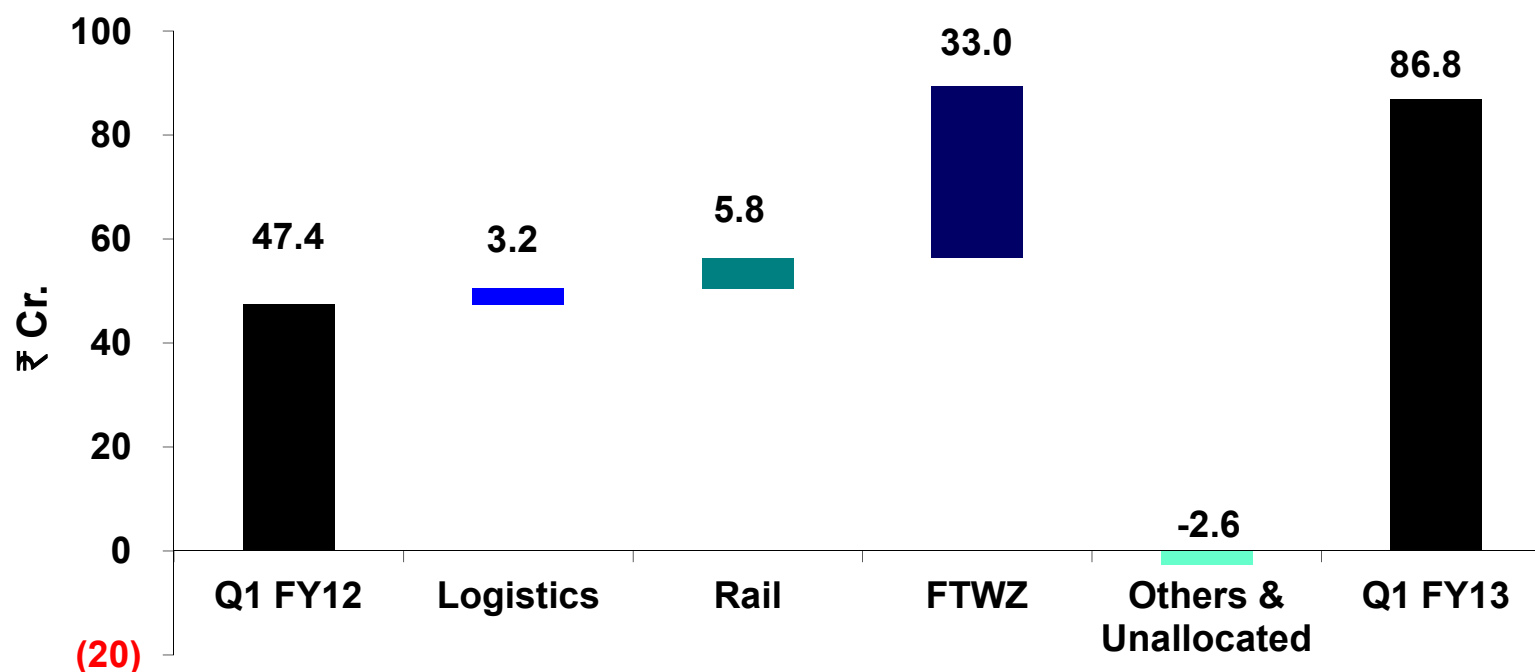


## Contribution of asset heavy businesses

### % contribution of asset heavy businesses to Operating Income & EBIT



## Operating Profit Drivers – EBIT bridge (Q1 FY13)



■ EBIT Margin improved from 21.3% in Q1 FY12 to 25.4% in Q1 FY13

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## FTWZ

### Panvel

Examples of significant customer acquisitions who have leveraged the regulatory and operational benefits of Arshiya Free Trade & Warehousing Zone (FTWZ):

- Cisco: Communication and information technology major Cisco Systems Inc., a Fortune 500 company headquartered in US has commenced regional distribution activities from Arshiya's FTWZ at Panvel catering to its markets in the Indian subcontinent. Critical network equipment manufactured at Cisco's facilities will be imported through this FTWZ for consumption in India and also for re-export from the subcontinent. This is the first time that Cisco has designated a regional distribution centre beyond Singapore in the APAC region.
- Larsen & Toubro: A diversified engineering to technology conglomerate is using Arshiya's FTWZ to import solar panels for plants in Gujarat & Rajasthan. Arshiya's operational expertise has ensured zero percent last mile in-transit breakage, which was earlier 5% of the cargo value.
- Henkel: Henkel is one of world's leading companies in laundry & home care, cosmetics/toiletries and adhesive Technologies. Henkel is currently importing non-hazardous adhesive chemicals through FTWZ . Going forward they will be diversifying the product portfolio serviced through FTWZ.
- Hypercity: One of India's biggest retail companies is leveraging FTWZ for imports and also using it as a last mile value addition hub for performing various activities such as labeling, packaging & market specific customization.



## Rail

### Arshiya Rail

Arshiya Rail Infrastructure Ltd (ARIL) has signed a long term deal with GATX India Private Limited (GIPL) to lease its rakes to ARIL. This relationship will help ARIL migrate its business to a capex lean model, resulting in lower gearing and improved margins as ARIL expands its business.

As part of the 10-year deal, GIPL will initially provide 10 newly manufactured BLC rakes, for ARIL on operating lease. Further, leveraging GATX's 114 years of expertise, ARIL will be able to introduce world class wagon technology and bring in the highest standards of safety, reliability, efficiency in rake operations, besides expanding its gamut of services in delivery of customized solutions to clients, all vital to growing the Indian rail-freight business.

An augmented rail capacity through its relationship with GIPL is planned to be deployed at its new state-of-the-art rail terminal at Khurja, which will act as a hub and will offer integrated and cost effective solution to its customers across major Indian cities.



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## Standalone Financial Statements (Q1FY13 vs Q1FY12)

| June 2012 quarter      | Q1 FY13 | Q1 FY12 | ₹ Crore    |      |
|------------------------|---------|---------|------------|------|
|                        |         |         | ₹<br>Crore | %    |
| Net Sales              | 181.7   | 127.6   | 54.1       | 42%  |
| Other Operating Income |         | -       |            |      |
| Total Operating Income | 181.7   | 127.6   | 54.1       | 42%  |
| Cost of Operations     | 123.9   | 85.3    |            |      |
| Gross Margin           | 57.7    | 42.2    | 15.5       | 37%  |
|                        | 31.8%   | 33.1%   |            |      |
| Employee Cost          | 11.0    | 8.3     |            |      |
| Other Expenses         | 10.6    | 8.5     |            |      |
| EBIDTA                 | 36.1    | 25.5    | 10.6       | 42%  |
|                        | 19.9%   | 20.0%   |            |      |
| Depreciation           | 4.7     | 3.5     |            |      |
| Other Income           | -14.4   | -9.4    |            |      |
| EBIT                   | 45.8    | 31.4    | 14.4       | 46%  |
|                        | 25.2%   | 24.6%   |            |      |
| Interest Expense       | 32.3    | 14.8    |            |      |
| Profit Before Tax      | 13.5    | 16.6    | -3.1       | -19% |
|                        | 7.4%    | 479.0%  |            |      |
| Tax                    | 4.3     | 4.8     |            |      |
| Profit After Tax       | 9.2     | 11.8    | -2.6       | -22% |
|                        | 5.1%    | 9.3%    |            |      |

## Consolidated Financial Statements (Q1FY13 vs Q1FY12)

| June 2012 quarter                    | Q1 FY13 | Q1 FY12 | Change     |     |
|--------------------------------------|---------|---------|------------|-----|
|                                      |         |         | ₹<br>Crore | %   |
| Net Sales                            | 341.8   | 222.6   | 119.2      | 54% |
| Other Operating Income               |         | -       |            |     |
| Total Operating Income               | 341.8   | 222.6   | 119.2      | 54% |
| Cost of Operations                   | 212.0   | 142.0   |            |     |
| Gross Margin                         | 129.8   | 80.6    | 49.2       | 61% |
|                                      | 38.0%   | 36.2%   |            |     |
| Employee Cost                        | 21.8    | 14.7    |            |     |
| Other Expenses                       | 14.5    | 11.3    |            |     |
| EBIDTA                               | 93.5    | 54.6    | 38.8       | 71% |
|                                      | 27.3%   | 24.5%   |            |     |
| Depreciation                         | 12.0    | 6.7     |            |     |
| Other Income                         | -7.4    | -0.3    |            |     |
| EBIT                                 | 88.9    | 48.3    | 40.6       | 84% |
|                                      | 26.0%   | 21.7%   |            |     |
| Interest Expense                     | 50.0    | 19.6    |            |     |
| Profit Before Tax                    | 38.9    | 28.7    | 10.2       | 36% |
|                                      | 11.4%   | 12.9%   |            |     |
| Tax                                  | 4.2     | 5.0     |            |     |
| Profit After Tax                     | 34.6    | 23.6    | 11.0       | 47% |
|                                      | 10.1%   | 10.6%   |            |     |
| Minority Interest                    | -       | -       |            |     |
| Profit After Tax & Minority Interest | 34.6    | 23.6    | 11.0       | 47% |
|                                      | 10.1%   | 10.6%   |            |     |

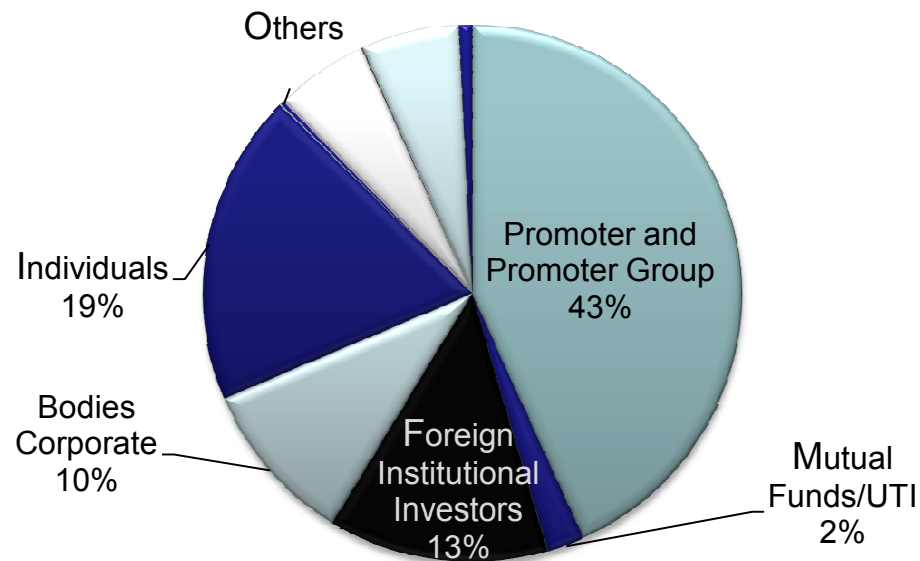
## Project Spending Schedule (as on 30.06.2012)

| Project (₹ in crore)       | Debt        | Equity     | Total       |
|----------------------------|-------------|------------|-------------|
| Panvel FTWZ – Phase I & II | 798         | 231        | 1029        |
| Khurja FTWZ – Phase I      | 261         | 202        | 463         |
| Rail Infrastructure        | 400         | 287        | 687         |
| Khurja Distripark          | 399         | 226        | 625         |
| <b>Total</b>               | <b>1858</b> | <b>946</b> | <b>2804</b> |

### Notes :

1. Company has invested further ₹ 93 crore as equity in Arshiya Central FTWZ (Nagpur) for land acquisition purpose.
2. Company has also invested equity of ₹ 75 crore in Khurja FTWZ Phase II

## Shareholding Pattern (as on 30.06.2012)



### Key Institutional shareholders

| Shareholders                                   | No. of shares | % Holding |
|------------------------------------------------|---------------|-----------|
| Tree Line Asia Master Fund (Singapore) Pte Ltd | 31,76,000     | 5.40      |
| Reliance Mutual Fund                           | 13,10,273     | 2.23      |
| Swiss Finance Corporation Ltd                  | 11,34,832     | 1.93      |
| Merrill Lynch Capital Market                   | 10,79,770     | 1.84      |
| Credit Suisse (Singapore) Limited              | 9,23,403      | 1.57      |
| Handelsbankers Till Vaxtmarknadsfond           | 5,88,423      | 1.00      |

## Recent Awards & Recognition

Arshiya International has been selected “Best Managed Company in India” under the “Small Cap” Category in an Annual poll conducted by Finance Asia Magazine, a leading Financial & Capital Markets Magazine based in Hong Kong





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