INVESTOR UPDATE

ARSHIYA INTERNATIONAL LTD.

Q2FY13

Arshiya
Complex is simple

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Financial Results - Consolidated

AIL - Consolidated	Quarterly Results					Half-yearly Results			FY12
	Q2FY13	Q1FY13		Q2FY12		H1FY13	H1FY12	Δ	
		Actuals	Δ	Actuals	Δ				
Logistics	191.4	184.2	3.9%	149.6	27.9%	375.6	292.1	28.6%	613.4
FTWZ/Distriparks	89.3	72.2	23.7%	38.7	130.5%	161.5	69.7	131.8%	171.6
Rail	91.7	85.3	7.5%	59.2	54.9%	177.0	107.7	64.3%	271.6
Software/Others	0.1	0.1	1.4%	0.4	-64.3%	0.3	1.0	-74.9%	0.8
Operating Income	**372.6**	**341.8**	**9.0%**	**248.0**	**50.3%**	**714.4**	**470.6**	**51.8%**	**1,057.3**
Operating Expenses	264.4	248.4	6.4%	183.2	44.3%	512.8	351.2	46.0%	785.7
EBIDTA	**108.18**	**93.45**	**15.8%**	**64.72**	**67.2%**	**201.63**	**119.32**	**69.0%**	**271.7**
EBIDTA %	***29.0%***	***27.3%***	***1.7%***	***26.1%***	***2.9%***	***28.2%***	***25.4%***	***11.3%***	***25.7%***
Other income	(6.7)	7.4	-190.6%	4.0	267.9%	0.7	4.3	-83.9%	7.5
Depreciation. & Ammort	12.1	12.0	0.5%	7.3	64.6%	24.1	14.0	72.2%	31.4
EBIT	89.4	88.9	0.5%	61.4	45.6%	178.3	109.7	62.5%	247.8
Interest Expenses	44.9	50.0	-10.3%	22.8	96.9%	94.9	42.4	123.8%	106.0
PBT	44.5	38.9	14.5%	38.6	15.3%	83.4	67.3	24.0%	141.9
Taxes	9.1	4.2	114.1%	6.8	34.2%	13.3	11.8	13.1%	21.1
PAT	**35.4**	**34.6**	**2.4%**	**31.9**	**11.2%**	**70.1**	**55.5**	**26.3%**	**120.8**
NPM %	***9.5%***	***10.1%***	***-6.1%***	***12.8%***	***-3.3%***	***9.8%***	***11.8%***	***-2.0%***	***11.4%***

Key Highlights

- Financial Performance – Q-o-Q (w.r.t. Q1FY13)
  - Consolidated total revenues for Q2FY13 at ₹ 372.6 crore, an increase of 9 % from ₹ 341.8 crore in Q1FY13
  - Consolidated EBITDA for Q2FY13 at ₹ 108.2 crore, an increase of 16% from ₹ 93.4 crore in Q1FY13
  - Consolidated PAT for Q2FY13 at ₹ 35.4 crore, an increase of 2.4 % from ₹ 34.6 crore in Q1 FY13
  - EBITDA margin moved up to 29% from 27%
  - Basic EPS for Q2FY13 was at ₹ 6.02 compared to ₹ 5.88 for Q1FY13
- Warrant Issue
  - The company received ₹ 4,930 lakhs (being 25% of the total issue price of ₹ 19,720 lakhs) as per SEBI (ICDR) guidelines, 2009 and allotted 13,600,000 Convertible Warrants @ ₹ 145/- each to the Promoter group on November 1, 2012.
  - Out of the above, 3,050,000 warrants have been converted into 3,050,000 equity shares of ₹ 2 each (at a premium of ₹ 143 per equity share) on November 3, 2012.

Impact of Forex Gain/Loss on profits

- Profits (Consolidated) were impacted because of Forex Gain/(Loss) and other income due to SFIS scheme. Following would have been PAT without these effects.

	Q2FY13	Q1FY13	Q4FY12	Q3FY12	Q2FY12
Declared PAT	**35.43**	**34.62**	**30.87**	**34.45**	**31.85**
Less: Forex Gain (Loss)	(7.93)	6.73	(4.15)	7.14	3.05
Less: SFIS scheme income	-	-	0.73	4.47	2.57
Adjusted PAT	**43.36**	**27.89**	**34.29**	**22.84**	**26.23**

Interest Payments

1. Break-up of interest capitalized and expensed.

	Q2FY13	Q1FY13	H1FY13
Interest Capitalized	43.5	37.6	81.1
Interest charged to P& L	44.9	50.0	94.9
Total Interest Payment	88.4	87.6	176.0

2. Interest expenses in Q2FY13 are lower than Q1FY13 due to impact of conversion of 300 crore rupee loan into dollar loan thus resulting in saving.

3. Break-up of interest capitalized :

	Q2FY13	Q1FY13	H1FY13
Panvel FTWZ	13.73	12.90	26.6
Arshiya Rail	8.57	8.73	17.3
Khurja Industrial & Distribution Hub	17.32	15.97	33.3
Khurja FTWZ	3.92		3.9
Total	**43.54**	**37.60**	**81.1**

Asset Heavy Businesses

Out of 4 projects three (Panvel FTWZ, Arshiya Rail and Khurja FTWZ) are operational and partially capitalized. Following is comparison for last 3 quarters between Capitalization and revenues.

Project	Capitalization			Revenue			EBIT		
	Q4FY12	Q1FY13	Q2FY13	Q4FY12	Q1FY13	Q2FY13	Q4FY12	Q1FY13	Q2FY13
Panvel FTWZ	590	590	590	55	55	59	36	54	59
Khurja FTWZ	492	492	492	0	17	31			
Rail	440	440	444	84	85	92	13	14	15
Total	**1,522**	**1,522**	**1,526**	**140**	**157**	**181**	**49**	**68**	**74**

- Panvel FTWZ became partly operational in Dec'10 and expected to be completed by June'13.
- Khurja FTWZ Phase 1 became operational in Mar'12 .
- Arshiya Rail commenced operations in Feb'09

Debt & Investments

Project (₹ in crore)	Debt	Equity	Total	O/s debt
Panvel FTWZ – Phase I & II	850	329	1179	850
Khurja FTWZ – Phase I	259	270	529	259
Rail Infrastructure	400	341	741	360
Khurja Industrial & Distribution Hub	399	249	648	399
Total	**1908**	**1189**	**3097**	**1868**

Notes (Not included in table above):

1. Total Debt including non-project loans and working capital loans is Rs. 2430 crore.
2. Company has invested ₹ 93 crore as equity in Arshiya Central FTWZ (Nagpur) for land acquisition purpose.
3. Company has also invested equity of ₹ 112 crore in Khurja FTWZ Phase II

Panvel FTWZ

- ✓ In Panvel FTWZ 5 warehouses have been operational. No new warehouses were added in first two quarters of FY'13. However construction of 4 multistory warehouses is currently on and they will become operational in due course.
- ✓ Following are Key financials of the project.

Project	Estimated				Actual Spend as on 30th Sep 2012				Capitalized	CWIP	Debt Drawn	O/s Debt
	Debt	Equity	Total	D/E Ratio	Debt	Equity	Total	D/E Ratio				
Panvel FTWZ	1177	386	1,563	3.05	850	329	1,179	2.58	590	589	850	850

- ✓ VOS/Rental performance

FTWZ	Q2FY13	Q1FY13		Q2FY12		H1FY13	H1FY12	Δ	FY12
		Actuals	Δ	Actuals	Δ				
VOS	32.0	30.7	4.1%	15.1	111.9%	62.7	26.3	137.9%	84.4
Rental	26.8	24.8	8.3%	23.7	13.3%	51.6	43.7	18.1%	86.8
Total	**58.8**	**55.5**	6.0%	**38.8**	51.7%	**114.2**	**70.0**	63.2%	**171.2**
VOS/Rental	**1.19**	**1.24**		**0.64**		**1.21**	**0.60**		**0.97**

Panvel FTWZ

Panvel (1/2)

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

- **Trafigura:** Trafigura is the world's second largest independent trader in non-ferrous concentrates. Trafigura has commenced their operations at the FTWZ by making it it's distribution hub for the Asian market. They import LME grade non-ferrous metals to the FTWZ for storage. As per the market demand & international prices, products are sold to India or re-exported to other markets. Apart from Trafigura, the FTWZ is being used by several ferrous, non-ferrous metal trading clients like Ushdev International, Liberty as their stocking point and eventual sales to DTA & regional markets.
- **Blue Deebaj:** A company based in the U.A.E, trading in various chemicals and fertilizers. Blue Deebaj has shifted their trading operations for products sourced from India to Arshiya FTWZ from Dubai. They buy fertilizers from Export Oriented Units (EOUs) in India and use the FTWZ as a stocking point for eventual sales to the domestic market or their global customers. The FTWZ has enabled the client realize substantial savings in terms of the cost of exporting the products to Dubai . Now the client is able to perform last mile value added services such as labeling, re-invoicing etc in India and also benefit from the cost and skill arbitrage.







Panvel (2/2)

- **Ebony Homes:** Ebony, a subsidiary of the DSC Group in partnership with Gautier, is one of the best known global furniture brand offering a premium range of French furniture for the retail segment in India. The furniture is imported to the FTWZ where it is warehoused & value optimization activities like SKU wise segregation, labeling and quality check are performed. Post segregation, these products are distributed to various stores as per demand.
- **Borochemie:** Borochemie is a major supplier for refined Boron Chemicals from Turkey and is one of the largest suppliers in the South East Asian market, Far East Asia and Gulf Countries. They have made the FTWZ their trading hub for sales to India or re-export to other foreign countries as per their clients requirements. The FTWZ has helped Borochemie to cut down their logistics cost immensely as our FTWZ is strategically located to serve their clients. Various last mile activities like bagging of bulk cargo, re-bagging, quality checks etc. are also performed at the FTWZ. Borochemie is one of the many clients like JJ Polymers, Eskay Bee, Time Technoplast, CPH Chemicals etc who are leveraging FTWZ for trading in Polymers & Specialty Chemicals.







Khurja FTWZ

- ✓ In Khurja FTWZ 3 warehouses have been operational. No new warehouses were added in Q2FY'13. However primary work for further multistory warehouses has commenced.
- ✓ Following are Key financials of the project.

Khurja FTWZ	Estimated				Actual Spend as on 30th Sep 2012				Capitalized	CWIP	Debt Drawn	O/s Debt
	Debt	Equity	Total	D/E Ratio	Debt	Equity	Total	D/E Ratio				
Phase 1	280	145	425	1.93	259	270	529	0.96	492	37	280	259
Phase 2	1050	350	1,400	3.00	-	112	112	-		112	-	-
Total	**1330**	**495**	**1,825**	**2.69**	**259**	**382**	**641**	**0.68**	**492**	**149**	**280**	**259**

- ✓ VOS/Rental performance

Khurja FTWZ	Q2FY13	Q1FY13		Q2FY12		H1FY13	H1FY12	Δ	FY12
		Actuals	Δ	Actuals	Δ				
VOS	20.9	9.4	122.2%			30.3			
Rental	9.8	7.3	33.9%			17.1			
Total	**30.7**	**16.7**	83.6%			**47.4**			
VOS/Rental	**2.13**	**1.29**				**1.77**			

Khurja FTWZ

Khurja

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

- **Ranbaxy:** Ranbaxy, one of India's largest pharmaceutical companies is importing bottles for packaging their pharmaceutical products and is using the FTWZ at Khurja as a stocking point & distribution hub for it's manufacturing facilities in the north. The FTWZ will also be used for import & storage of excipients & API's & export of finished products. These products have different storage requirements such as palletized storage, bulk storage & temperature controlled storage, all of which is available in the FTWZ.
- **Marks & Spencer:** Marks & Spencer, one of UK's leading retailers is using the FTWZ for Imports from Europe & Bangladesh to India. Their products are consolidated followed by piece level picking for distribution to stores across India. Duty deferment benefit of the FTWZ enables the client to stock the inventory in bulk and cater to the seasonal spikes in demand.







Rail

Arshiya Rail

- Currently 20 rakes have been operational. In current quarter we will start receiving leased rakes from GATX .
- Arshiya has successfully launched the Arshiya Rail Lite service from Khurja to the 4 major metros of Bangalore, Hyderabad, Kolkata and Mumbai
- Received access to the private siding and started loading sponge iron for Monnet Ispat (a major sponge iron manufacturer) from Chattisgarh to Uttar Pradesh in the month of August
- Received access to the private siding and started loading pig iron for Tata Metaliks (a major pig iron manufacturer) from West Bengal to Punjab
- Project Financials:

Project	Estimated				Actual Spend as on 30th Sep 2012				Capitalized	CWIP	Debt Drawn	O/s Debt
	Debt	Equity	Total	D/E Ratio	Debt	Equity	Total	D/E Ratio				
Arshiya Rail	400	226	626	1.77	360	341	701	1.06	455	246	400	360

- Key Financials:

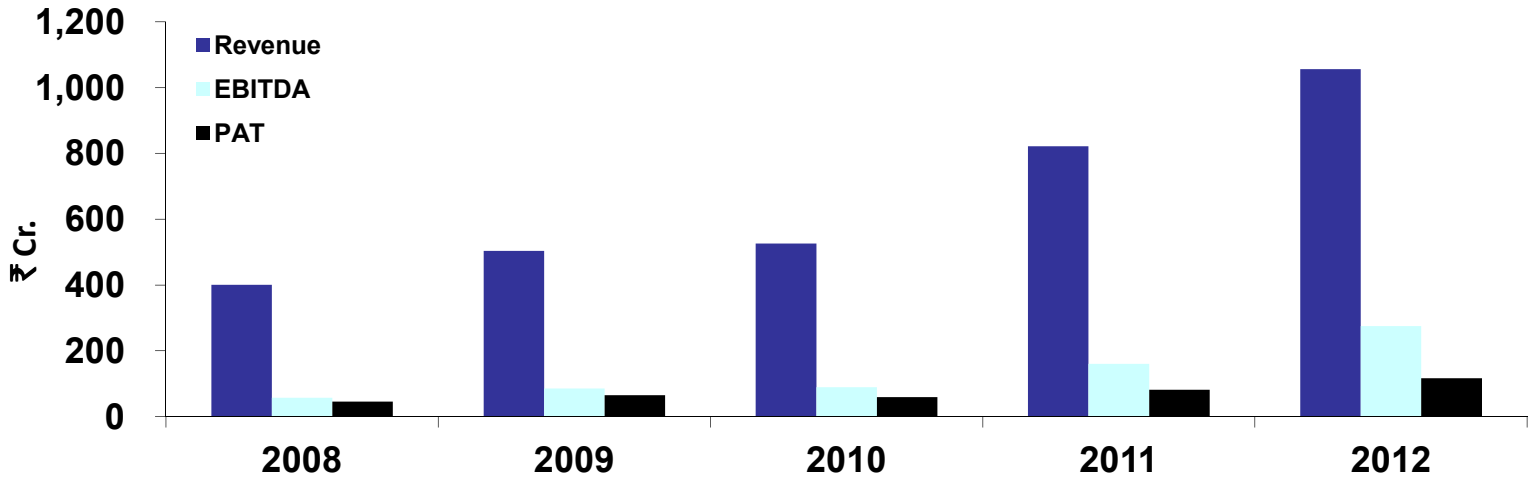
Rail	Q2FY13	Q1FY13		Q2FY12		H1FY13	H1FY12	Δ	H1FY12
		Actuals	Δ	Actuals	Δ				
Income	**91.7**	**85.3**	7.5%	**59.2**	54.9%	**177.0**	**107.7**	64.3%	**271.6**
EBIT	**15.0**	**14.1**	6.3%	**11.2**	33.9%	**29.1**	**19.4**	49.8%	**44.7**
EBIT %	**16.4%**	**16.6%**	**-0.2%**	**18.9%**	**-2.6%**	**16.5%**	**18.0%**	**-1.6%**	**16.4%**

Khurja Industrial & Distribution Hubs

- 3 warehouses of Khurja Industrial & Distribution Hubs will become operational this quarter.
- Project Financials:

Project	Estimated				Actual Spend as on 30th Sep 2012				Capitalized	CWIP	Debt Drawn	O/s Debt
	Debt	Equity	Total	D/E Ratio	Debt	Equity	Total	D/E Ratio				
Khurja Industrial & Distribution Hub	413	138	551	2.99	399	249	648	1.60	-	648	399	399

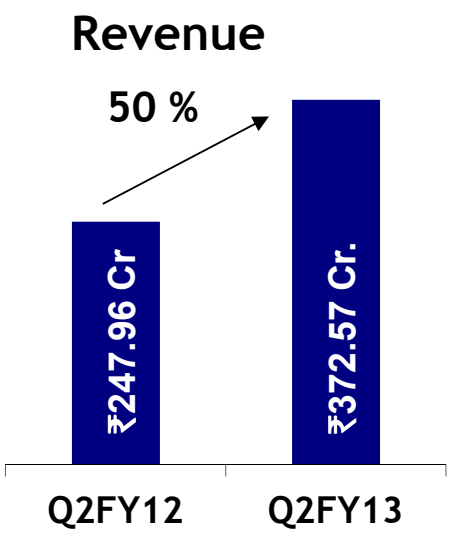
Performance Overview

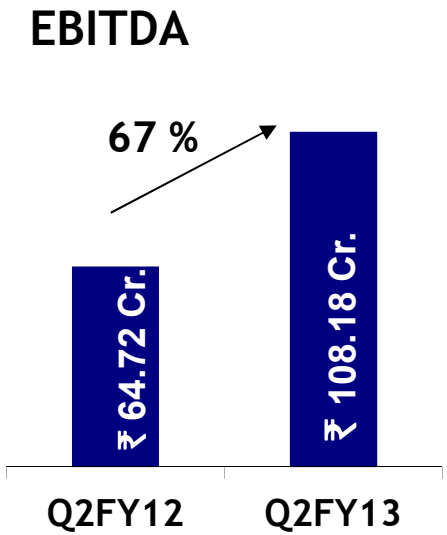


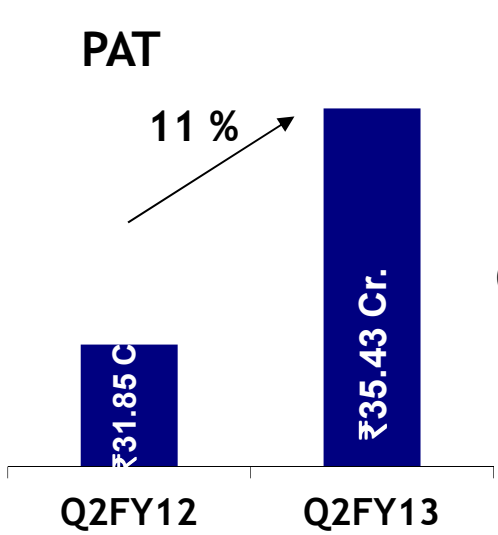
Consolidated	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	H1 2013
Operating Income — ₹ Cr.	401.2	503.0	525.9*	821.5	1057.3	714.4
EBITDA — ₹ Cr.	51.4	73.5	86.1*	159.2	271.6	201.6
PAT — ₹ Cr.	45.4	65.6	98.3	82.0	120.8	70.1
EPS — ₹ per share	9.4	11.3	16.7	14.0	20.5	11.9

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

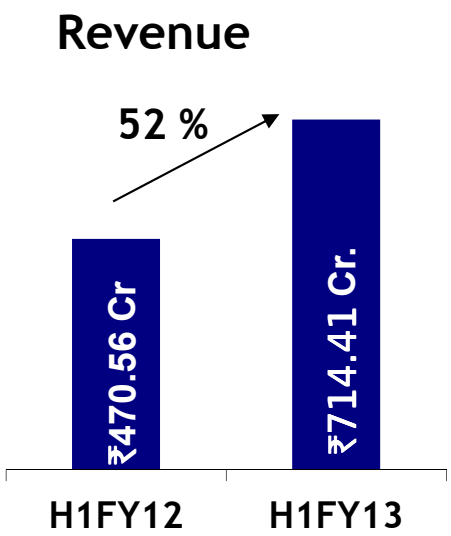
Performance Comparison

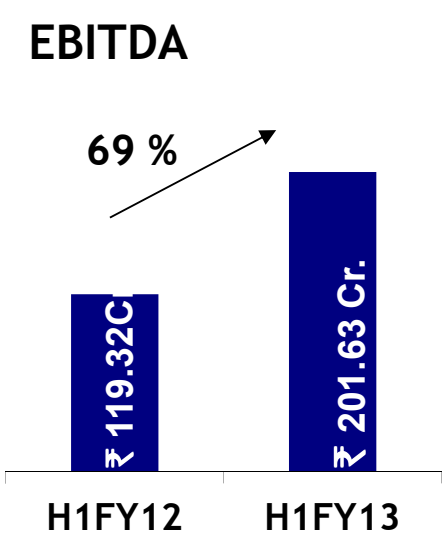


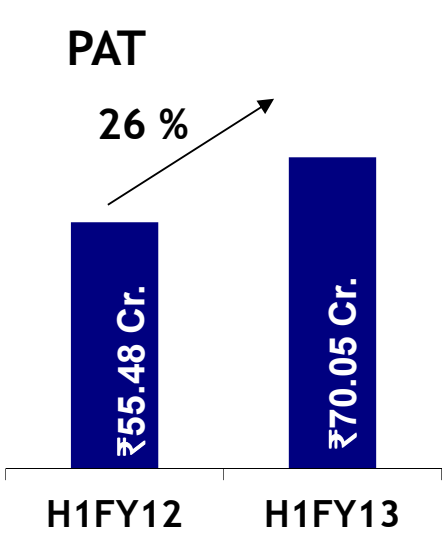




Quarterly
Q2







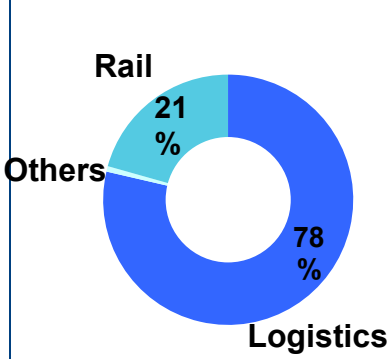
Half Yearly
H1

Consolidated Financials

Segmental Revenues

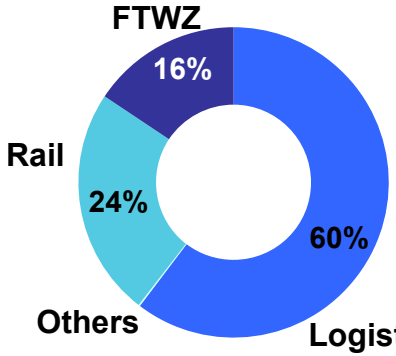
Q2 FY 2011

₹ 195.05 Cr.



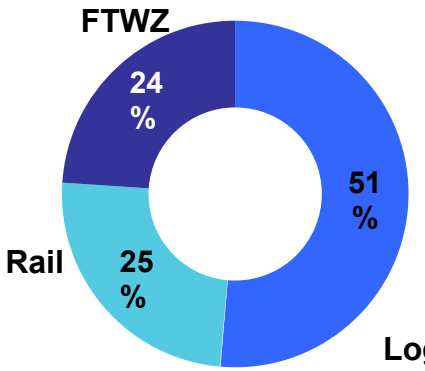
Q2 FY 2012

₹ 247.96 Cr.



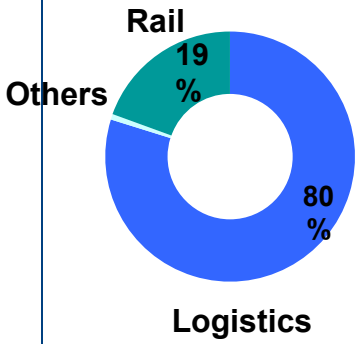
Q2 FY 2013

₹ 372.57 Cr.



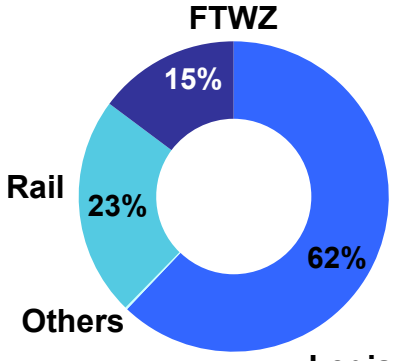
H1 2011

₹372.00 Cr.



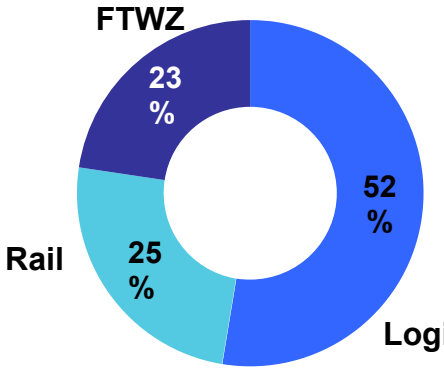
H1 2012

₹ 470. 56 Cr.



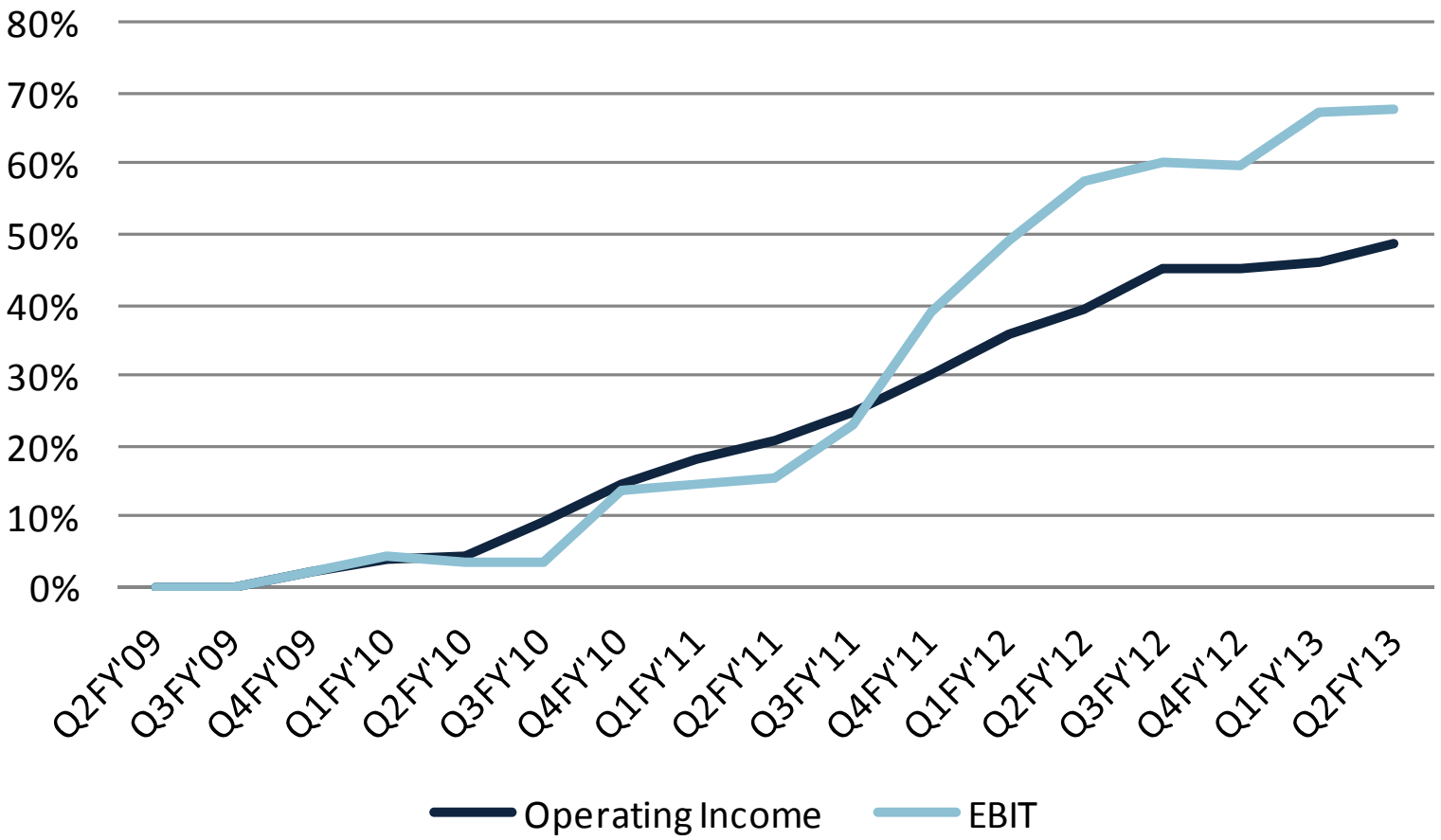
H1 2013

₹ 714.41 Cr.

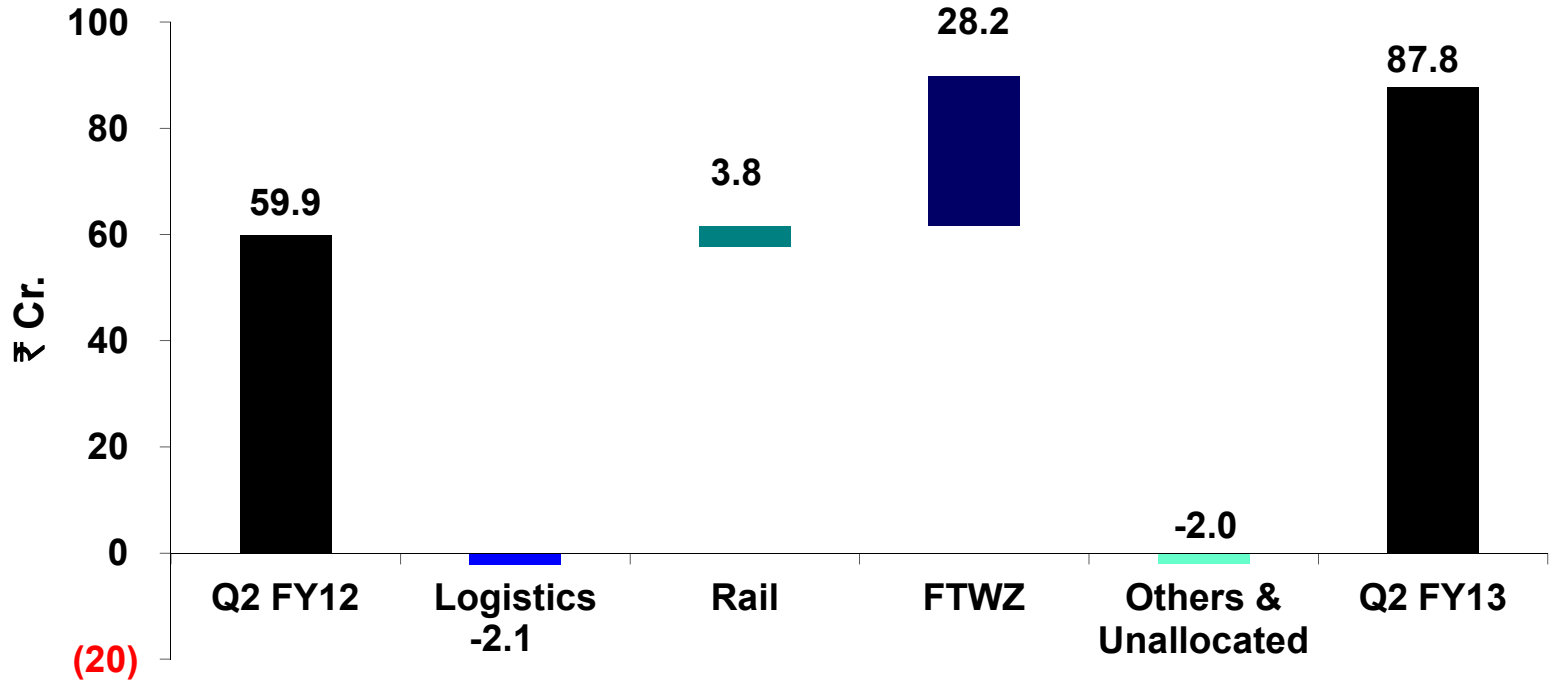


Contribution of asset heavy businesses

% contribution of asset heavy businesses to Operating Income & EBIT



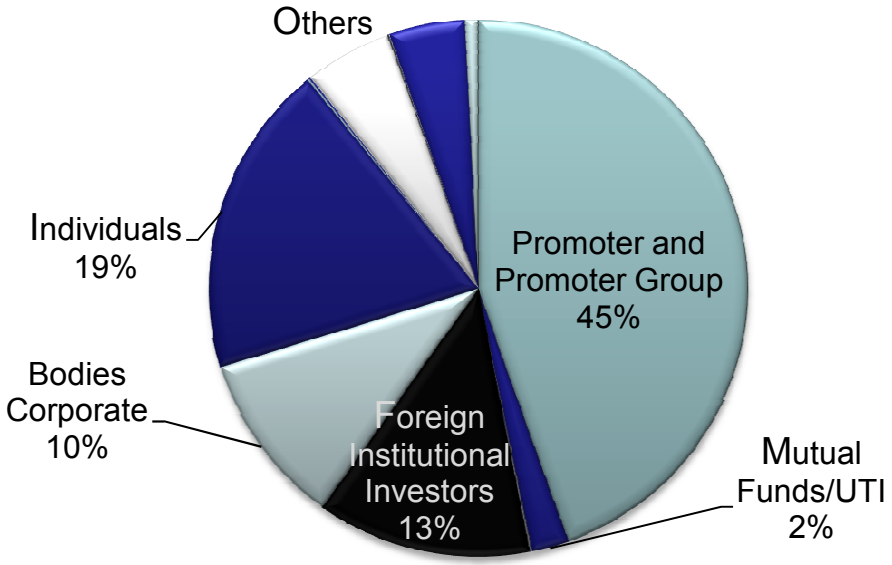
Operating Profit Drivers – EBIT bridge (Q2 FY13)



AIL – Standalone Results

AIL - Standalone	Quarterly Results					Half-yearly Results			FY12
	Q2FY13	Q1FY13		Q2FY12		H1FY13	H1FY12	Δ	
		Actuals	Δ	Actuals	Δ				
Logistics	172.2	152.2	13.1%	120.6	42.7%	324.4	229.0	41.7%	497.8
FTWZ/Distriparks	45.8	29.4	55.5%	23.0	98.9%	75.2	42.2	78.1%	94.8
Operating Income	**217.9**	**181.6**	**20.0%**	**143.6**	**51.7%**	**399.6**	**271.2**	**47.4%**	**592.6**
Operating Expenses	160.7	145.6	10.4%	112.0	43.5%	306.3	214.5	42.8%	464.0
EBIDTA	**57.2**	**36.1**	**58.5%**	**31.6**	**80.8%**	**93.3**	**56.7**	**64.6%**	**128.7**
EBIDTA %	***26.2%***	***19.9%***	***6.4%***	***22.0%***	***4.2%***	***23.3%***	***20.9%***	***11.7%***	***21.7%***
Other income	8.1	14.4	-44.0%	7.7	4.6%	22.5	17.1	31.4%	37.4
Depreciation & Ammort	4.7	4.7	0.1%	3.7	26.6%	9.3	7.2	30.2%	16.4
EBIT	60.6	45.8	32.2%	35.6	69.9%	106.4	66.6	59.8%	149.6
Interest Expenses	31.0	32.3	-4.0%	15.3	103.5%	63.4	29.6	114.1%	80.4
PBT	29.5	13.5	118.7%	20.4	44.9%	43.0	37.0	16.4%	69.2
Taxes	9.5	4.3	120.0%	6.8	40.4%	13.8	11.5	19.4%	21.7
PAT	**20.1**	**9.2**	**118.2%**	**13.6**	**47.1%**	**29.3**	**25.4**	**15.0%**	**47.5**
NPM %	***9.2%***	***5.1%***	***4.1%***	***9.5%***	***-0.3%***	***7.3%***	***9.4%***	***-2.1%***	***8.0%***

Shareholding Pattern (as on 30.09.2012)



Key Institutional shareholders

Shareholders	No. of shares	% Holding
Tree Line Asia Master Fund (Singapore) Pte Ltd	3176000	5.40
Reliance Mutual Fund	1310273	2.23
Swiss Finance Corporation Ltd	1134832	1.93
Credit Suisse (Singapore) Limited	923403	1.57
Merrill Lynch Capital Market	679770	1.16
Handelsbankers Till Vaxtmarknadsfond	588423	1.00

Recent Awards & Recognition



- Arshiya's Group Chairman & Managing Director - Mr. Ajay S. Mittal was adjudged as the "Supply Chain Visionary of the Year" at the '6th Express, Logistics & Supply Chain (ELSC) Awards 2012.





- Arshiya International Ltd was also conferred with the "Best ELSC Logistics Infrastructure Company of the Year" award at the same event.



THANK YOU

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