

Arshiya International Limited

Registered Office : 6th Floor, 'C' Wing, Twin Arcade, Military Road, Marol Maroshi, Andheri (East), Mumbai - 400 059

STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER/YEAR ENDED MARCH 31, 2013

(Rs In Lacs)

Sr.No.		Quarter Ended			Year Ended	
		31.03.2013 (Audited) Refer note 2	31.12.2012 (Unaudited)	31.03.2012 (Audited) Refer note 2	31.03.2013 (Audited)	31.03.2012 (Audited)
1	Income from operations					
	(a) Income from operations	10,061.44	20,078.75	16,859.47	70,097.09	58,556.58
	(b) Other operating income	17.97	-	2.29	17.97	706.45
	Total income from operations (net)	10,079.41	20,078.75	16,861.76	70,115.06	59,263.03
2	Expenses					
	(a) Cost of operations	9,307.88	13,948.91	11,006.43	49,662.18	38,680.31
	(b) Employee benefits expense	419.44	658.33	1,054.58	3,254.67	3,662.65
	(c) Depreciation and amortization expense	524.30	532.60	500.61	1,990.83	1,642.79
	(d) Other expenses	943.71	1,210.34	1,296.29	4,198.92	4,055.05
	Total expenses (a+b+c+d)	11,195.33	16,350.18	13,857.91	59,106.61	48,040.80
3	Profit/ (Loss) from operations before other income, finance costs and exceptional items (1-2)	(1,115.93)	3,728.57	3,003.85	11,008.45	11,222.23
4	Other Income	9.53	62.17	1,069.85	2,317.00	3,737.76
5	Profit / (Loss) from ordinary activities before finance costs and exceptional items (3+4)	(1,106.40)	3,790.74	4,073.70	13,325.45	14,959.99
6	Finance costs	3,451.99	3,432.99	2,786.22	13,221.67	8,040.58
7	Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5-6)	(4,558.39)	357.74	1,287.48	103.78	6,919.41
8	Exceptional Items	1,094.82	448.13	-	1,542.95	-
9	Profit / (Loss) from ordinary activities before tax (7-8)	(5,653.21)	(90.39)	1,287.48	(1,439.17)	6,919.41
10	Tax expense (Current Tax, MAT Credit and Deferred Tax)	(1,502.87)	85.03	394.77	(38.67)	2,168.23
11	Net profit/ (Loss) for the period (9-10)	(4,150.34)	(175.42)	892.71	(1,400.50)	4,751.18
12	Paid-up equity share capital (Face value per share Rs.2/-)	1,237.59	1,237.59	1,176.59	1,237.59	1,176.59
13	Reserves excluding Revaluation Reserves				53,784.56	54,081.41
14	Earning Per Share (EPS)					
	EPS before & after Extraordinary items (not annualised)					
	- Basic	(6.71)	(0.29)	1.52	(2.33)	8.08
	- Diluted	(6.71)	(0.29)	1.52	(2.33)	8.08
15	Public shareholding					
	- Number of Shares	39,009,247	32,594,762	33,394,762	39,009,247	33,394,762
	- Percentage of Shareholding	63.04%	52.67%	56.77%	63.04%	56.77%
16	Promoters & Promoter Group Shareholding					
	a) Pledged/Encumbered					
	- Number of Shares	4,610,000	19,159,000	14,919,000	4,610,000	14,919,000
	- Percentage of shares (as a % of the total shareholding of promoter & promoter group)	20.16%	65.42%	58.66%	20.16%	58.66%
	- Percentage of shares (as a % of the total share capital of the company)	7.45%	30.96%	25.36%	7.45%	25.36%
	b) Non Encumbered					
	- Number of Shares	18,260,225	10,125,710	10,515,710	18,260,225	10,515,710
	- Percentage of shares (as a % of the total shareholding of promoter & promoter group)	79.84%	34.58%	41.34%	79.84%	41.34%
	- Percentage of shares (as a % of the total share capital of the company)	29.51%	16.36%	17.87%	29.51%	17.87%
17	Investor Complaints				For the quarter ended March 31, 2013	
	Pending at the beginning of the quarter				Nil	
	Received during the quarter				1	
	Disposed of during the quarter				1	
	Remaining unresolved at the end of the quarter				Nil	



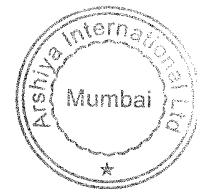
Arshiya International Limited

Registered Office : 6th Floor, 'C' Wing, Twin Arcade, Military Road, Marol Maroshi, Andheri (East), Mumbai - 400 059

STANDALONE AUDITED SEGMENTWISE REPORT FOR THE QUARTER/YEAR ENDED MARCH 31, 2013

(Rs In Lacs)

Sr.No.		Quarter Ended			Year Ended	
		31.03.2013 (Audited) Refer note 2	31.12.2012 (Unaudited)	31.03.2012 (Audited) Refer note 2	31.03.2013 (Audited)	31.03.2012 (Audited)
1	Segment Revenue					
	Logistics	9,008.89	15,928.38	14,131.85	57,376.13	49,783.56
	Free Trade Warehousing Zones	1,070.52	4,150.37	2,729.91	12,738.93	9,479.47
	TOTAL	10,079.41	20,078.75	16,861.76	70,115.06	59,263.03
2	Segment Results					
	Profit Before Tax and Interest					
	Logistics	(389.85)	1,806.56	2,701.98	6,838.53	9,983.95
	Free Trade Warehousing Zones	570.17	3,232.64	1,635.48	9,369.46	6,236.23
Unallocated	(1,466.16)	(1,373.90)	(1,557.32)	(5,658.04)	(4,956.16)	
TOTAL	(1,285.84)	3,665.28	2,780.14	10,549.94	11,264.02	
	Less : Interest Expenses (Net)	3,272.64	3,307.54	1,492.66	10,446.17	4,344.61
	Profit /(Loss) Before Tax and exceptional items	(4,558.48)	357.74	1,287.48	103.78	6,919.41
3	Capital Employed					
	Logistics	31,340.18	31,589.85	24,840.13	31,340.18	24,840.13
	Free Trade Warehousing Zones	43,402.76	46,154.94	30,666.91	43,402.76	30,666.91
	Unallocated	(11,359.92)	(14,662.23)	(249.05)	(11,359.92)	(249.05)
TOTAL	63,383.02	63,082.55	55,258.00	63,383.02	55,258.00	



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Arshiya International Limited

Registered Office : 6th Floor, 'C' Wing, Twin Arcade, Military Road, Marol Maroshi, Andheri (East), Mumbai - 400 059.

STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31,

(Rs in lacs)

Sr.No.		STANDALONE	
		31.03.2013 (Audited)	31.03.2012 (Audited)
I	EQUITY AND LIABILITIES		
(1)	Shareholders' funds		
	(a) Share capital	1,237.59	1,176.59
	(b) Reserves and surplus	53,784.56	54,081.41
	(c) Money received against Share warrants	8,360.88	-
		63,383.02	55,258.00
(2)	Non-current liabilities		
	(a) Long-term borrowings	104,537.33	105,948.48
	(b) Deferred tax liabilities (net)	1,568.72	1,619.37
	(c) Other long-term liabilities	105.55	4,052.34
	(d) Long Term provisions	103.79	117.06
		106,315.39	111,737.25
(3)	Current liabilities		
	(a) Short-term borrowings	20,258.13	7,954.72
	(b) Trade payables	21,207.93	5,075.44
	(c) Other current liabilities	42,923.52	27,214.08
	(d) Short-term provisions	622.91	1,183.42
		85,012.49	41,427.64
	TOTAL	254,710.90	208422.8899
II	ASSETS		
(1)	Non-current assets		
	(a) Fixed assets	128,899.63	110,691.44
	(b) Non-current investments	49,879.53	16,386.81
	(c) Long-term loans and advances	36,073.47	57,768.31
	(d) Other non-current assets	2,118.01	2,460.31
		216,970.64	187,306.87
(2)	Current assets		
	(a) Trade receivables	31,799.73	12,113.09
	(b) Cash and bank balances	507.52	2,581.95
	(c) Short-term loans and advances	3,451.30	3,255.54
	(d) Other current assets	1,981.72	3,165.43
		37,740.26	21,116.03
	TOTAL	254,710.90	208,422.89



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Arshiya International Limited

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Notes to Standalone Results :

- 1) The above financial results for the quarter/year ended March 31, 2013 have been reviewed by the Audit Committee and approved by the Board of Directors at the meeting held on May 30, 2013.
- 2) The figures for the quarter ended March 31, 2013 and March 31, 2012 (being balancing figures between the audited figures) are arrived on the basis of audited results for the full financial year and published year to date unaudited figures for the nine months ended December 31, 2012 and December 31, 2011.
- 3) The Hon'ble High Court of Bombay has vide its order dated December 7, 2012 (filed with Registrar of Companies, Mumbai on January 4, 2013) sanctioned the Scheme of Amalgamation of Arshiya Domestic Distripark Limited and Arshiya FTWZ Limited with Arshiya International Limited and their respective shareholders and creditors with the appointed date April 1, 2012. The effect of the scheme has been given during the year as per AS-14.
- 4) The Company has allotted 1,36,00,000 convertible warrants at Rs. 145/- per warrant to Promoter/Promoter group on preferential basis pursuant to a special resolution passed by the members of the Company at their Extra Ordinary General Meeting held on October 18, 2012. Out of the above, 30,50,000 warrants have been converted into 30,50,000 Equity shares of Rs. 2/- each fully paid up at a premium of Rs. 143/- per share on November 3, 2012.
- 5) In view of the loss for the year, the remuneration paid/provided in respect of Chairman and Managing Director of the Company, has turned out to be in excess of the limits prescribed u/s 198 read with Schedule XIII to the Companies Act, 1956, which is subject to the approval of the Central Government.
- 6) The company is under severe financial stress which is reflected by increased trade receivables and payables and majority of them are overdue, the workforce downsized and full & final settlement of resigned employees is provided for and is in arrears of Rs. 232.53 Lacs, delayed and non-payment of dues (interest and repayment of borrowings) of Banks, a Non Banking Finance Company and a Financial Institution of Rs. 23,854.28 Lacs, short-term funds are used for long-term purposes, statutory dues i.e. income tax deducted at source, service tax and value added tax are in arrears for Rs. 1,761.90 Lacs and certain lenders have filed court cases against the company and directors, due to dishonour of cheques. The Corporate Debt Restructuring (CDR) plan of the company is admitted and is under consideration of the CDR cell.
- 7) The company's operations for the quarter /year ended March 31, 2013 suffered on account of major slowdown in operations which happened due to non-clarity in the FTWZ Rules and Regulations which were raised by certain Government Authorities in September, 2012 and the steep hike in rail haulage charges. As the company's operations are integrated in nature, the operations were affected across all operational divisions/subsidiaries.
- 8) Exceptional items include,
 - Rs. 542.77 Lacs in respect of Leasehold improvement written off and
 - Rs. 1,000.18 Lacs in respect of provision for diminution in the value of investment and provision for doubtful loans given to one of the subsidiaries of the Company.
- 9) The previous period figures have been regrouped /re-arranged, wherever necessary.

Notes to Consolidated Results :

- 1) The above Financial Results for the quarter/year ended March 31, 2013 have been reviewed by the Audit Committee and approved by the Board of Directors at the meeting held on May 30, 2013.
- 2) The figures for the quarter ended March 31, 2013 and March 31, 2012 (being balancing figures between the audited figures) are arrived on the basis of audited results for the full financial year and published year to date unaudited figures for the nine months ended December 31, 2012 and December 31, 2011.
- 3) The Hon'ble High Court of Bombay has vide its order dated December 7, 2012 (filed with Registrar of Companies, Mumbai on January 4, 2013) sanctioned the Scheme of Amalgamation of Arshiya Domestic Distripark Limited and Arshiya FTWZ Limited with Arshiya International Limited and their respective shareholders and creditors with the appointed date April 1, 2012. The effect of the scheme has been given during the year as per AS-14.
- 4) The Company has allotted 1,36,00,000 convertible warrants at Rs. 145/- per warrant to Promoter/Promoter group on preferential basis pursuant to a special resolution passed by the members of the Company at their Extra Ordinary General Meeting held on October 18, 2012. Out of the above, 30,50,000 warrants have been converted into 30,50,000 Equity shares of Rs. 2/- each fully paid up at a premium of Rs. 143/- per share on November 3, 2012.
- 5) In view of the loss for the year, the remuneration paid/provided in respect of Chairman and Managing Director of the Company, has turned out to be in excess of the limits prescribed u/s 198 read with Schedule XIII to the Companies Act, 1956, which is subject to the approval of the Central Government.
- 6) The Group is under severe financial stress which is reflected by increased trade receivables and payables and majority of them are overdue, the workforce downsized and full & final settlement of resigned employees is provided for and is in arrears of Rs. 550.54 Lacs, delayed and non-payment of dues (interest and repayment of borrowings) of Banks, Non Banking Finance Companies and a Financial Institution of Rs. 314,99.42 Lacs, short-term funds are used for long-term purposes, statutory dues i.e. income tax deducted at source, service tax, value added tax, etc are in arrears of Rs. 3,941.55 Lacs and certain lenders have filed court cases against the company and directors due to dishonour of cheques. The Corporate Debt Restructuring (CDR) plan of the company and three of its subsidiaries i.e. Arshiya Northern FTWZ Limited, Arshiya Rail Infrastructure Limited and Arshiya Industrial & Distribution Hub Limited are admitted and are under consideration of the CDR cell.
- 7) The Group's operations for the quarter/year ended March 31, 2013 suffered on account of major slowdown in operations which happened due to non-clarity in the FTWZ Rules and Regulations which were raised by certain Government Authorities in September, 2012 and the steep hike in rail haulage charges. As the Group's operations are integrated in nature, the operations were affected across all operational divisions/subsidiaries.
- 8) Exceptional items represent Rs. 542.77 Lacs in respect of Leasehold improvements written off
- 9) The previous period figures have been regrouped /re-arranged, wherever necessary.

Mumbai
May 30, 2013



Ajay S Mittal
Chairman and Managing Director



Arshiya International Limited

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CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER/YEAR ENDED MARCH 31, 2013

(Rs In Lacs)

	Quarter Ended			Year Ended	
	31.03.2013 (Audited) (refer note 2)	31.12.2012 (Unaudited)	31.03.2012 (Audited) (refer note 2)	31.03.2013 (Audited)	31.03.2012 (Audited)
1	Income from operations				
	(a) Net sales/income from operations	16,029.22	26,471.09	31,244.68	113,940.94
	(b) Other operating income	17.97	-	95.28	17.97
	Total income from operations (net)	16,047.19	26,471.09	31,339.96	113,958.91
2	Expenses				
	(a) Cost of operations	16,779.34	21,320.31	19,572.95	82,006.90
	(b) Employee benefits expense	1,191.91	2,075.59	1,935.14	7,591.27
	(c) Depreciation and amortization expense	1,948.73	1,667.94	928.27	6,024.22
	(d) Other expenses	1,908.00	1,757.19	1,722.46	6,711.41
	Total expenses (a+b+c+d)	21,827.98	26,821.02	24,158.81	102,333.80
3	Profit/(Loss) from operations before other income, finance cost and exceptional items (1-2)				
		(5,780.79)	(349.93)	7,181.15	11,625.11
4	Other Income				
		(8.51)	623.54	(434.53)	684.66
5	Profit/ (Loss) from ordinary activities before finance costs and exceptional items (3+4)				
		(5,789.30)	273.61	6,746.62	12,309.77
6	Finance costs				
		8,182.17	7,396.10	3,393.33	25,066.74
7	Profit/ (Loss) from ordinary activities after finance costs but before exceptional items (5-6)				
		(13,971.47)	(7,122.48)	3,353.29	(12,756.97)
8	Exceptional Items				
		94.64	448.13	-	542.77
9	Profit / (Loss) from ordinary activities before tax (7-8)				
		(14,066.11)	(7,570.61)	3,353.29	(13,299.74)
10	Tax expense (Current Tax, MAT Credit and Deferred Tax)				
		(1,908.79)	(7.12)	266.57	(584.42)
11	Net Profit/ (Loss) from ordinary activities after tax (9-10)				
		(12,157.32)	(7,563.49)	3,086.72	(12,715.32)
12	Minority Interest				
		-	-	-	-
13	Extraordinary Item (net of tax expenses)				
		-	-	-	-
14	Net profit /(Loss) for the period (11-12-13)				
		(12,157.32)	(7,563.49)	3,086.72	(12,715.32)
15	Paid-up equity share capital (Face value per share Rs.2/-)				
		1,237.59	1,237.59	1,176.59	1,237.59
16	Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year				
				77,414.36	85,472.42
17	Earning Per Share (EPS)				
	EPS before & after Extraordinary items (not annualised)				
	- Basic	(19.65)	(12.72)	5.25	(21.17)
	- Diluted	(19.65)	(12.72)	5.25	(21.17)
18	Public shareholding				
	- Number of Shares	39,009,247	32,594,762	33,394,762	39,009,247
	- Percentage of Shareholding	63.04%	52.67%	56.77%	63.04%
19	Promoters & Promoter Group Shareholding				
	a) Pledged/ Encumbered				
	- Number of Shares	4,610,000	19,159,000	14,919,000	4,610,000
	- Percentage of shares (as a % of the total shareholding of promoter & promoter group)	20.16%	65.42%	58.66%	20.16%
	- Percentage of shares (as a % of the total share capital of the company)	7.45%	30.96%	25.36%	7.45%
	b) Non Encumbered				
	- Number of Shares	18,260,225	10,125,710	10,515,710	18,260,225
	- Percentage of shares (as a % of the total shareholding of promoter & promoter group)	79.84%	34.58%	41.34%	79.84%
	- Percentage of shares (as a % of the total share capital of the company)	29.51%	16.36%	17.87%	29.51%
20	Investor Complaints				
				For the quarter ended March 31,2013	
	Pending at the beginning of the quarter				Nil
	Received during the quarter				1
	Disposed of during the quarter				1
	Remaining unresolved at the end of the quarter				Nil



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CONSOLIDATED AUDITED SEGMENTWISE REPORT FOR THE QUARTER/ YEAR ENDED MARCH 31, 2013

(Rs In Lacs)

	Quarter Ended			Year Ended	
	31.03.2013 (Audited) (refer note 2)	31.12.2012 (Unaudited)	31.03.2012 (Audited) (refer note 2)	31.03.2013 (Audited)	31.03.2012 (Audited)
1 Segment Revenue					
Logistics	9,005.71	16,043.28	17,154.85	62,613.56	61,340.69
Free Trade Warehousing Zones / Distripark	1,194.37	3,797.72	5,756.25	21,140.06	17,156.11
Containerised Rail Transport Operations	5,847.13	6,630.17	8,428.87	30,179.22	27,161.07
Software/Others	(0.03)	(0.08)	-	26.08	75.10
Unallocated	-	-	-	-	-
TOTAL	16,047.19	26,471.09	31,339.97	113,958.92	105,732.97
2 Segment Results					
Profit / (Loss) Before Tax & Interest					
Logistics	(464.25)	1,676.80	3,434.99	7,355.88	12,723.44
Free Trade Warehousing Zones / Distripark	(1,634.09)	(656.78)	3,606.42	8,934.50	12,459.62
Containerised Rail Transport Operations	(2,413.70)	445.75	1,298.22	945.39	4,467.74
Software/Others	(6.49)	(16.59)	(149.38)	(24.96)	(99.35)
Unallocated	(1,468.68)	(1,373.90)	(1,554.30)	(5,660.55)	(5,226.07)
TOTAL	(5,987.20)	75.28	6,635.96	11,550.27	24,325.38
Less : Interest Expenses (Net)	7,984.27	7,197.77	3,282.67	24,307.24	10,138.75
Profit / (Loss) Before Tax and Exceptional items	(13,971.47)	(7,122.48)	3,353.29	(12,756.97)	14,186.63
3 Capital Employed					
Logistics	52,436.65	53,119.69	45,248.12	52,436.65	45,248.12
Free Trade Warehousing Zones / Distripark	95,558.72	102,757.39	53,933.59	95,558.72	53,933.59
Containerised Rail Transport Operations	10,550.24	14,714.44	15,377.73	10,550.24	15,377.73
Software/Others	8,431.51	8,448.42	8,393.55	8,431.51	8,393.55
Unallocated	(10,359.73)	(14,662.23)	(249.05)	(10,359.73)	(249.05)
Inter Segmental Elimination	(69,604.55)	(69,593.34)	(36,054.93)	(69,604.55)	(36,054.93)
TOTAL	87,012.83	94,784.37	86,649.01	87,012.83	86,649.01



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Arshiya International Limited

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STATEMENT OF CONSOLIDATED ASSETS AND LIABILITIES AS AT

(Rs in Lacs)

Sr No		31.03.2013 (Audited)	31.03.2012 (Audited)
I	EQUITY AND LIABILITIES		
(1)	Shareholders' funds		
	(a) Share Capital	1,237.59	1,176.59
	(b) Reserves and surplus	77,414.36	85,472.42
	(c) Money Received against share warrant	8,360.88	
		87,012.83	86,649.01
(2)	Non-current liabilities		
	(a) Long-term borrowings	204,384.64	209,599.74
	(b) Deferred tax liabilities (net)	791.48	1,374.45
	(c) Other long-term liabilities	95.47	52.33
	(d) Long-term provisions	198.62	195.08
		205,470.22	211,221.61
(3)	Current liabilities		
	(a) Short-term borrowings	32,966.74	9,964.33
	(b) Trade payables	26,670.18	7,232.05
	(c) Other current liabilities	55,213.65	30,159.70
	(d) Short-term provisions	973.45	2,070.04
		115,824.02	49,426.12
	TOTAL	408,307.06	347,296.74
II	ASSETS		
(1)	Non-current assets		
	(a) Fixed assets	317,773.63	277,044.73
	(b) Goodwill on consolidation	598.98	598.98
	(c) Long-term loans and advances	11,594.67	18,955.44
	(d) Other non-current assets	2,360.89	2,754.89
		332,328.18	299,354.03
(2)	Current assets		
	(a) Current investments	-	2,000.89
	(b) Inventories	23.14	-
	(c) Trade receivables	62,374.46	31,089.20
	(d) Cash and Bank balances	836.54	6,604.47
	(e) Short-term loans and advances	12,280.93	7,541.93
	(f) Other current assets	463.83	706.20
		75,978.88	47,942.70
	TOTAL	408,307.06	347,296.74



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Auditor's Report

To The Board of Directors of
Arshiya International Limited

1. We have audited the accompanying Statement of Financial Results ("the Statement") of **Arshiya International Limited** ("the Company") for the year ended 31 March 2013, being submitted by the Company pursuant to Clause 41 of the Listing agreements with the Stock Exchanges. This statement has been prepared by the Company on the basis of the related annual financial statements, which are the responsibility of the Company's management and have been approved by the Board of Directors. Our responsibility is to express an opinion on the Statement, based on our audit of the related annual financial statements, which have been prepared in accordance with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 and other accounting principles generally accepted in India.
2. We conducted our audit of the Statement in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the Statement. An audit also includes assessing the accounting principles used and the significant estimates made by the management, as well as evaluating the overall Statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. Attention is invited to Note 2 of the Statement regarding figures for the quarter ended 31 March, being balancing figures between the audited figures in respect of the full financial year and the published year to date figures upto the third quarter of the relevant financial year.
4. We draw attention to Note 5 of the Statement, relating to remuneration paid/provided to Chairman and Managing Director of the Company, which turned out to be in excess of the limits prescribed under Section 198 read with Schedule XIII to the Companies Act 1956, hence is subject to the approval of the Central Government. Our Opinion is not qualified in this respect.



5. We draw attention to Note 6 of the Statement, regarding severe financial stress on the Company which is reflected by increased trade receivables and payables and majority of them are overdue, full and final settlement dues of resigned employees of Rs. 232.53 Lacs are in arrears, statutory dues i.e. income tax deducted at source, service tax and value added tax of Rs. 1,761.90 Lacs are in arrears, the dues (interest and repayment of borrowings) of banks, a financial institution and a non-banking finance company are delayed and Rs. 23,854.28 Lacs are overdue, short-term funds are used for long-term purposes and certain lenders have filed court cases against the company and directors due to dishonour of cheques. To mitigate financial stress, the Company has taken various steps including cost cutting exercise and opted for Corporate Debt Restructuring (CDR) plan which is admitted and under consideration of the CDR cell.
6. In our opinion and to the best of our information and according to the explanations given to us, on the basis of stated in paragraph 4 and 5, the Statement:
- (i) is presented in accordance with the requirements of Clause 41 of the Listing Agreements with the Stock Exchanges; and
 - (ii) gives a true and fair view of the net loss and other financial information of the Company for the year ended 31 March 2013.
7. Further, we also report that we have traced from the details furnished by the Management/Registrars, the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding, pledged / encumbered shares and Non-encumbered shares of promoter and promoter group shareholding, in terms of Clause 35 of the Listing Agreements and the particulars relating to undisputed investor complaints.

For **MGB & Co.**
Chartered Accountants
Firm Registration No. 101169W


Mohanlal Bhandari
Partner
Membership Number 012912



Mumbai, 30 May 2013

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Auditors' Report

To
The Board of Directors of
Arshiya International Limited

1. We have audited the accompanying Statement of Consolidated Financial Results (the "Statement") of **Arshiya International Limited** ("the Company"), its subsidiaries (the Company and its subsidiaries constitute "the Group") for the year ended 31 March 2013, being submitted by the Company pursuant to Clause 41 of the Listing Agreements with the Stock Exchanges. This Statement has been prepared on the basis of the related annual consolidated financial statements, which are the responsibility of the Company's Management and have been approved by the Board of Directors. Our responsibility is to express an opinion on the Statement, based on our audit of the related annual consolidated financial statements, which have been prepared in accordance with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 and other accounting principles generally accepted in India.
2. We conducted our audit of the Statement in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement is free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the Statement. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall Statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. Attention is invited to Note 2 of the Statement regarding figures for the quarter ended 31 March, being balancing figures between the audited figures in respect of the full financial year and the published year to date figures upto the third quarter of the relevant financial year.
4. We draw attention to Note 5 of the Statement, relating to remuneration paid/provided to Chairman and Managing Director of the Company, which turned out to be in excess of the limits prescribed under Section 198 read with Schedule III of the Companies Act, 2013. The Company has also disclosed the same in the Form 85 filed with the Government. Our Opinion is not qualified in this respect.

5. We draw attention to Note 6 of the Statement, regarding severe financial stress on the Group, which is reflected by increased trade receivables and payables and majority of them are overdue, full and final settlement dues of resigned employees of Rs. 550.54 lacs are in arrears, statutory dues i.e. income tax deducted at source, service tax, value added tax etc are in arrears of Rs.4,036.90 lacs, the dues (interest and repayment of borrowings) of banks, non-banking finance companies and a financial institution are delayed and Rs.31,499.42 lacs are overdue, short-term funds are used for long-term purposes and certain lenders have filed court cases against the company and directors due to dishonour of cheques. To mitigate financial stress, the group has taken various steps including cost cutting exercise and opted for the Corporate Debt Restructuring (CDR) plan which is admitted and under consideration of the CDR cell.
6. The Statement reflects the Group's share of Revenues of Rs. 56,459 Lacs and total Assets of Rs. 238,321 Lacs of subsidiaries whose financial statements have been considered in the consolidated financial statements. These financial statements have been audited by other auditors. Our opinion in so far as it relates to the amounts included in respect of those subsidiaries is based solely on the reports of such other auditors, which have been furnished to us.
7. In our opinion and to the best of our information and according to the explanations given to us, on the basis stated in paragraph 4, 5 and 6, the Statement:
 - (a) is presented in accordance with the requirements of Clause 41 of the Listing Agreements with the Stock Exchanges and
 - (b) gives a true and fair view of the net loss and other financial information of the Group for the year ended 31 March 2013.
8. Further, we also report that we have traced from the details furnished by the Management, the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding, pledged/encumbered shares and non-encumbered shares of promoter and promoter group shareholders, in terms of Clause 35 of the Listing Agreements and the particulars relating to the undisputed investor complaints.

For **MGB & Co**
Chartered Accountants
Firm Registration Number 101169W


Mohanlal Bhandari
Partner
Membership Number 012912



Mumbai, 30 May 2013