Arshiya Limited

(Formerly known as Arshiya International Limited)

Regsitered Office: Unit NO. A1, 4th Floor, Cnergy, Appa Saheb Marathe Marg, Prabhadevi, Mumbai- 400 025

CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2014

(Rs In Lacs)

SR. NO.	PARTICULARS	Quarter Ended			Year Ended
		30.06.2014 (Unaudited)	31.03.2014 (Unaudited)	30.06.2013 (Unaudited)	31.03.2014 (Audited)
1	Income from operations				
	(a) Net sales/income from operations	7,360.50	13,042.57	14,315.99	51,655.73
	(b) Other operating income	-	-	-	-
	Totál income from operations (net)	7,360.50	13,042.57	14,315.99	51,655.73
2	Expenses				
	(a) Cost of operations	5,370.64	11,769.54	12,685.11	44,550.85
	(b) Employee benefits expense	770.33	1,277.74	1,024.19	4,087.38
	(c) Depreciation and amortization expense	2,633.22	2,348.09	1,809.95	8,352.89
	(d) Other expenses	808.56	3,577.02	1,010.33	6,396.60
	Total expenses (a+b+c+d)	9,582.75	18,972.39	16,529.58	63,387.72
3	Profit/(Loss) from operations before other income, finance cost and exceptional items (1-2)	(2,222.24)	(5,929.82)	(2,213.59)	(11,731.99)
4	Other Income	25.01	1,650.72	132.03	1,991.88
5	Profit/ (Loss) from ordinary activities before finance costs and exceptional items (3+4)	(2,197.24)	(4,279.10)	(2,081.56)	(9,740.11)
6	Finance costs	9,658.50	11,565.36	7,699.90	36,629.52
7	Profit/ (Loss) from ordinary activities after finance costs but before exceptional items (5-6)	(11,855.74)	(15,844.46)	(9,781.46)	(46,369.62)
8	Exceptional Items	254.21	6,887.00	2,723.40	21,265.95
9	Prior Period Adjustments	-	9,042.18	-	14,913.74
10	Profit / (Loss)from ordinary activities before tax (7-8-9)	(12,109.94)	(31,773.65)	(12,504.86)	(82,549.32)
11	Tax expense (Current Tax, MAT Credit and Deferred Tax)	-	2,110.36	(1,568.72)	2,073.63
12	Net Profit/ (Loss) from ordinary activities after tax (10-11)	(12,109.94)	(33,884.01)	(10,936.14)	(84,622.95)
13	Minority Interest	-	-	-	-
14	Extraordinary Item (net of tax expenses)	-	-	-	-
15	Net profit /(Loss) for the period (12-13-14)	(12,109.94)	(33,884.01)	(10,936.14)	(84,622.95)
16	Paid-up equity share capital (Face value per share Rs.2/-)	1,448.59	1,342.59	1,237.59	1,342.59
17	Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year				(10,637.71)
18	Earning Per Share (EPS)				
	EPS before & after Extraordinary items (not annualised)				
	- Basic	(16.72)	(50.48)	(17.67)	(136.66)
	- Diluted	(16.72)	(50.48)	(17.67)	(136.66)
19	Public shareholding				
	- Number of Shares	39,059,247	39,059,247	39,009,247	39,009,247
	- Percentage of Shareholding	53.93%	58.18%	63.04%	58.18%
20	Promoters & Promoter Group Shareholding				
	a) Pledged/Encumbered				
	- Number of Shares	18,820,225	18,820,225	90,000	18,820,225
	- Percentage of shares (as a % of the total shareholding of promoter & promoter group)	56.40%	67.05%	0.39%	67.05%
	- Percentage of shares (as a % of the total share capital of the company)	25.98%	28.04%	0.15%	28.04%
	b) Non Encumbered				
	- Number of Shares	14,550,000	9,250,000	22,780,225	9,250,000
	- Percentage of shares (as a % of the total shareholding of promoter & promoter group)	43.60%	32.95%	99.61%	32.95%
	- Percentage of shares (as a % of the total share capital of the company)	20.09%	13.78%	36.81%	13.78%

					For the Quarter ended June 30,2014
21	Investor Complaints				
	Pending at the beginning of the Year				Nil
	Received during the Year				0
	Disposed of during the Year				0
	Remaining unresolved at the end of the Year				Nil

Arshiya Limited Mumbai

Arshiya Limited

(Formerly known as Arshiya International Limited)

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STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2014

(Rs. in Lacs)

Sr. No.	PARTICULARS	Quarter Ended			Year Ended
		30.06.2014 (Unaudited)	31.03.2014 (Audited)	30.06.2013 (Unaudited)	31.03.2014 (Audited)
1	**Income from operations**				
	(a) Income from operations	1,096.28	7,066.01	9,232.60	30,136.16
	(b) Other operating income	-	33.42	-	33.42
	Total income from operations (net)	**1,096.28**	**7,099.43**	**9,232.60**	**30,169.58**
2	**Expenses**				
	(a) Cost of operations	93.80	5,915.64	7,883.56	25,265.06
	(b) Employee benefits expense	355.21	744.52	366.09	1,907.21
	(c) Depreciation and amortization expense	781.02	525.59	495.33	1,958.10
	(d) Other expenses	539.33	1,453.42	622.48	3,314.20
	Total expenses (a+b+c+d)	**1,769.36**	**8,639.17**	**9,367.46**	**32,444.57**
3	**Profit/ (Loss) from operations before other income, finance costs and exceptional items (1-2)**	**(673.08)**	**(1,539.74)**	**(134.86)**	**(2,274.99)**
4	Other Income	19.60	1,442.20	40.58	1,485.28
5	**Profit / (Loss) from ordinary activities before finance costs and exceptional items (3+4)**	**(653.48)**	**(97.54)**	**(94.28)**	**(789.71)**
6	Finance costs	4,973.08	6,558.16	3,441.58	18,487.80
7	**Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5-6)**	**(5,626.56)**	**(6,655.70)**	**(3,535.86)**	**(19,277.51)**
8	Exceptional Items	7.49	1,656.80	3,246.98	10,667.35
9	Prior Period Adjustment	-	(81.36)	-	(81.36)
10	**Profit / (Loss) from ordinary activities before tax (7-8-9)**	**(5,634.05)**	**(8,231.14)**	**(6,782.84)**	**(29,863.50)**
11	Tax expense (Current Tax, MAT Credit and Deferred Tax)	-	(66.77)	(1,568.72)	(95.83)
12	**Net profit/ (Loss) for the period from ordinary activities (10-11)**	**(5,634.05)**	**(8,164.37)**	**(5,214.12)**	**(29,767.67)**
13	**Paid-up equity share capital (Face value per share Rs.2/-)**	**1,448.59**	**1,342.59**	**1,237.59**	**1,342.59**
14	**Reserves excluding Revaluation Reserves as per Balance sheet of previous accounting year**				**31,609.97**
15	**Earnings Per Share (EPS)**				
	EPS before & after Extraordinary items (not annualised)				
	- Basic	(7.78)	(13.18)	(8.43)	(48.07)
	- Diluted	(7.78)	(13.18)	(8.43)	(48.07)
16A	Particulars of Shareholdings				
i	**Public shareholding**				
	- Number of Shares	**39,059,247**	**39,059,247**	**39,009,247**	**39,059,247**
	- Percentage of Shareholding	**53.93%**	**58.18%**	**63.04%**	**58.18%**
ii	**Promoters & Promoter Group Shareholding**				
	a) Pledged/Encumbered				
	- Number of Shares	**18,820,225**	**18,820,225**	**90,000**	**18,820,225**
	- Percentage of shares (as a % of the total shareholding of promoter & promoter group)	**56.40%**	**67.05%**	**0.39%**	**67.05%**
	- Percentage of shares (as a % of the total share capital of the company)	**25.98%**	**28.04%**	**0.15%**	**28.04%**
	b) Non Encumbered				
	- Number of Shares	**14,550,000**	**9,250,000**	**22,780,225**	**9,250,000**
	- Percentage of shares (as a % of the total shareholding of promoter & promoter group)	**43.60%**	**32.95%**	**99.61%**	**32.95%**
	- Percentage of shares (as a % of the total share capital of the company)	**20.09%**	**13.78%**	**36.81%**	**13.78%**

16B	**Investor Complaints**		**For the quarter ended June 30, 2014**
	Pending at the beginning of the quarter		Nil
	Received during the quarter		0
	Disposed off during the quarter		0
	Remaining unresolved at the end of the quarter		Nil

Arshiya Limited Mumbai

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STANDALONE SEGMENTWISE REPORT FOR THE QUARTER ENDED JUNE 30, 2014

(Rs. in Lacs)

Sr. No.	PARTICULARS	Quarter Ended			Year Ended
		30.06.2014 (Unaudited)	31.03.2014 (Audited)	30.06.2013 (Unaudited)	31.03.2014 (Audited)
1	**Segment Revenue**				
	Logistics	8.86	6,075.73	8,104.36	25,828.51
	Free Trade Warehousing Zones	1,087.42	1,023.70	1,128.24	4,341.07
	TOTAL	1,096.28	7,099.43	9,232.60	30,169.58
2	**Segment Results**				
	Profit Before Tax and Interest				
	Logistics	(1.43)	703.76	228.63	1,241.95
	Free Trade Warehousing Zones	97.83	361.78	(2,315.74)	1,326.21
	Unallocated	(749.88)	(1,011.31)	(842.54)	(3,357.88)
	TOTAL	(653.48)	54.23	(2,929.65)	(789.72)
	Less : Interest Expenses (Net)	4,973.08	6,709.93	3,374.51	18,487.80
	Profit /(Loss) Before Tax and exceptional items	(5,626.57)	(6,655.70)	(6,304.16)	(19,277.52)
	Less : Prior Period Adjustments	-	(81.36)	-	(81.36)
	Less : Exceptional Items	7.49	1,656.80	-	10,667.35
	Profit / (Loss) from ordinary activities before tax	(5,634.05)	(8,231.14)	(6,304.16)	(29,863.51)
	Less : Tax Expenses	-	(66.77)	-	(95.83)
	Net Profit/ (Loss) for the period	(5,634.05)	(8,164.37)	(6,304.16)	(29,767.68)
3	**Capital Employed**				
	Logistics	-	28,527.29	31,401.39	28,527.29
	Free Trade Warehousing Zones	21,225.89	15,500.22	36,372.71	15,500.22
	Unallocated	36,530.98	14,639.61	(9,519.60)	14,639.61
	TOTAL	57,756.86	58,667.12	58,254.50	58,667.12

Arshiya Limited Mumbai

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Notes to Standalone Results:

1. The above financial results for the quarter ended 30th June, 2014 have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 12th August, 2014.

2. The Statutory Auditors of the Company have carried out a limited review on standalone basis of the financial results for the quarter ended 30th June, 2014.

3. The figures for the quarter ended 31st March, 2014 are the balancing figures between the audited figures in respect of the full financial year and the published year to date unaudited figures for the nine months ended 31st December, 2013.

4. During the quarter ended March, 2014, (previous quarter) the Company had decided to phase out its Logistics Business (freight forwarding) with a view to concentrate on its FTWZ operations. Accordingly the Company has phased out its logistics operations during the quarter ended June 2014(current quarter). Consequently the Company's revenue declined significantly from Rs. 70.66 crores during the previous quarter ended 31st March, 2014 to Rs. 10.96 crores during the current quarter and the cost of operations declined significantly from Rs. 59.16 crores during the previous quarter ended 31st March, 2014 to Rs. 0.94 crore during the current quarter.

4.1. The Company continues to be under severe financial stress which is reflected by non-payment of full and final settlement dues of employees to the extent of Rs. 7.20 crores, delay in payment of dues of interest and repayment of principal borrowings to the banks, non-banking finance company and financial institution aggregating to Rs. 199.37

Arshiya Limited Mumbai

crores, including interest of Rs. 54.20 crores accrued and due, statutory dues i.e. income-tax deducted at source, service tax and arrears remaining unpaid to the extent of Rs. 17.73 crores and court cases against the Company / Directors for winding up / other legal proceedings for recovery of dues / dishonor of cheques. The Auditors have drawn attention to this in their audit report.

To mitigate the financial stress, the Company has taken various steps including restructuring the business operations as referred to in note 4.3 of the Statement.

4.2. The Corporate Debt Restructuring (CDR) Scheme of the Company has been approved by the CDR Cell. The Master Restructuring Agreement (MRA) is executed with all banks except one bank. The Company is confident that it shall be able to comply with all the conditions of the CDR Scheme and shall continue to operate as a viable unit.

Financial impact, if any, on the rights of Secured Lenders (Banks) to recompense shall be accounted upon crystallization of such rights.

4.3. The management of the Company is in the process of restructuring its business operations as also those of its subsidiaries in which it has substantial investments, by –

* expanding the business volumes,
* converting Free Trade Warehousing Zone and Industrial Distribution Hub at Khurja, Uttar Pradesh into Sector Specific Special Economic Zones,
* establishing an Inland Container Depot at Khurja, Uttar Pradesh,
* Phasing out of Logistic Business (Freight Forwarding)

5. The Company holds strategic and long term investments in its subsidiary companies, the aggregate cost of which is Rs. 834.60 crores as on 30th June, 2014. The present "net asset value" of the said investments is lower than their costs of acquisition. However, keeping in view that the said investments are long-term and strategic in nature as also the said subsidiaries are in the process of implementing their respective revival plans alongwith the future business plans of the Company, the Management is of the view

that the diminution in value of its investments is temporary in nature and no provision for diminution in value is called for.

6. In the absence of profits, the remuneration of Rs. 1.15 crores paid /provided to Mr. Suhas Thakar, Executive Director, for the financial year 2013-2014, is in excess of the limits prescribed under Section 198 read with Schedule XIII of the Companies Act, 1956. The Company is in the process of making an application to the Central Government for approval of the excess remuneration.

7. The Company provides gratuity and leave encashment (benefits) based on the actuarial valuation as on 31st March. As regards the provision for benefits for the quarter ended June, September and December, the Company provides the liability on an estimated basis as per the rules applicable to its employees in this regard. The difference between the liability on estimated basis for the first three quarters with the liability on actuarial basis is adjusted during the last quarter / year ended 31st March of each year.

8. The Company has aligned its depreciation policy in accordance with Schedule II to The Companies Act, 2013. Consequently w.e.f. 1st April, 2014:

(a) The carrying value of assets is now depreciated over its revised remaining useful life.

(b) Where the remaining useful life of the asset is Nil as on 1st April, 2014, carrying value of assets has been adjusted against opening reserves aggregating to Rs. 2.12 crores in accordance with transitional provision of Schedule II.

(c) Had the Company continued to provide depreciation as prescribed by Schedule XIV to the Companies Act, 1956, the charge for the quarter would have been lower by Rs. 2.87 crores (net) and hence the loss for the quarter would have been lower by Rs. 2.87 crores.

9.1. The Company had allotted 1,36,00,000 convertible warrants at Rs.145/- per warrant to promoters/ promoters group on preferential basis pursuant to the special resolution passed by the members of the Company at their meeting held on 18th October, 2012. These warrants have been converted into equity shares (in the ratio of 1 share for 1 warrant) of Rs. 2/- each at a premium of Rs.143/- per share in three tranches i.e.

Arshiya Limited Mumbai

53,00,000, 52,50,000 and 30,50,000 during the financial years 2014-2015, 2013-2014 and 2012-2013 respectively.

9.2. In accordance with the CDR package, the promoters' have pledged 1,05,50,000 equity shares converted out of the aforesaid warrants to the lenders on 21st July, 2014.

10.1. The Board of Directors of the Company at their meeting held on 24th January, 2014 approved the Scheme of Amalgamation under Section 391/394 of the Companies Act, 1956 of amalgamation of Arshiya Industrial & Distribution Hub Limited and Arshiya Northern FTWZ Limited with Arshiya Transport and Handling Limited. The shareholders of the respective companies have approved the scheme.

10.2. The petition relating to the Scheme of Amalgamation filed by the Company and admitted by the High Court of Bombay on 21st July, 2014 is pending for approval.

11. During the quarter, the Company has phased out its Logistics Business (freight forwarding) with a view to concentrate more effectively on the Free Trade and Warehousing Zone Business. In view of the same, the Company assigned certain outstanding book debts aggregating to Rs. 57.20 crores and certain outstanding trade payables aggregating to Rs. 57.05 crores in respect of its logistics operations for the quarter ended 31st March, 2014.

12. The previous period's/year's figures have been regrouped /re-arranged, wherever necessary.

For and on behalf of board of directors of

Arshiya limited

Arshiya Limited Mumbai

Shyam Rathi

CFO & Compliance officer

Place: Mumbai

Date: 12th August, 2014

Arshiya Limited

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CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2014

(Rs In Lacs)

SR. NO.	PARTICULARS	Quarter Ended			Year Ended
		30.06.2014 (Unaudited)	31.03.2014 (Unaudited)	30.06.2013 (Unaudited)	31.03.2014 (Audited)
1	Income from operations				
	(a) Net sales/income from operations	7,360.50	13,042.57	14,315.99	51,655.73
	(b) Other operating income	-	-	-	-
	Total income from operations (net)	7,360.50	13,042.57	14,315.99	51,655.73
2	Expenses				
	(a) Cost of operations	5,370.64	11,769.54	12,685.11	44,550.85
	(b) Employee benefits expense	770.33	1,277.74	1,024.19	4,087.38
	(c) Depreciation and amortization expense	2,633.22	2,348.09	1,809.95	8,352.89
	(d) Other expenses	808.56	3,577.02	1,010.33	6,396.60
	Total expenses (a+b+c+d)	9,582.75	18,972.39	16,529.58	63,387.72
3	Profit/(Loss) from operations before other income, finance cost and exceptional items (1-2)	(2,222.24)	(5,929.82)	(2,213.59)	(11,731.99)
4	Other Income	25.01	1,650.72	132.03	1,991.88
5	Profit/ (Loss) from ordinary activities before finance costs and exceptional items (3+4)	(2,197.24)	(4,279.10)	(2,081.56)	(9,740.11)
6	Finance costs	9,658.50	11,565.36	7,699.90	36,629.52
7	Profit/ (Loss) from ordinary activities after finance costs but before exceptional items (5-6)	(11,855.74)	(15,844.46)	(9,781.46)	(46,369.62)
8	Exceptional Items	254.21	6,887.00	2,723.40	21,265.95
9	Prior Period Adjustments	-	9,042.18	-	14,913.74
10	Profit / (Loss)from ordinary activities before tax (7-8-9)	(12,109.94)	(31,773.65)	(12,504.86)	(82,549.32)
11	Tax expense (Current Tax, MAT Credit and Deferred Tax)	-	2,110.36	(1,568.72)	2,073.63
12	Net Profit/ (Loss) from ordinary activities after tax (10-11)	(12,109.94)	(33,884.01)	(10,936.14)	(84,622.95)
13	Minority Interest	-	-	-	-
14	Extraordinary Item (net of tax expenses)	-	-	-	-
15	Net profit /(Loss) for the period (12-13-14)	(12,109.94)	(33,884.01)	(10,936.14)	(84,622.95)
16	Paid-up equity share capital (Face value per share Rs.2/-)	1,448.59	1,342.59	1,237.59	1,342.59
17	Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year				(10,637.71)
18	Earning Per Share (EPS)				
	EPS before & after Extraordinary items (not annualised)				
	- Basic	(16.72)	(50.48)	(17.67)	(136.66)
	- Diluted	(16.72)	(50.48)	(17.67)	(136.66)
19	Public shareholding				
	- Number of Shares	39,059,247	39,059,247	39,009,247	39,009,247
	- Percentage of Shareholding	53.93%	58.18%	63.04%	58.18%
20	Promoters & Promoter Group Shareholding				
	a) Pledged/Encumbered				
	- Number of Shares	18,820,225	18,820,225	90,000	18,820,225
	- Percentage of shares (as a % of the total shareholding of promoter & promoter group)	56.40%	67.05%	0.39%	67.05%
	- Percentage of shares (as a % of the total share capital of the company)	25.98%	28.04%	0.15%	28.04%
	b) Non Encumbered				
	- Number of Shares	14,550,000	9,250,000	22,780,225	9,250,000
	- Percentage of shares (as a % of the total shareholding of promoter & promoter group)	43.60%	32.95%	99.61%	32.95%
	- Percentage of shares (as a % of the total share capital of the company)	20.09%	13.78%	36.81%	13.78%

		For the Quarter ended June 30,2014
21	Investor Complaints	
	Pending at the beginning of the Year	Nil
	Received during the Year	0
	Disposed of during the Year	0
	Remaining unresolved at the end of the Year	Nil

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CONSOLIDATED SEGMENTWISE REPORT FOR THE YEAR QUARTER ENDED JUNE 30, 2014

(Rs In Lacs)

SR. NO.	PARTICULARS	Quarter Ended			Year Ended
		30.06.2014 (Unaudited)	31.03.2014 (Unaudited)	30.06.2013 (Unaudited)	31.03.2014 (Audited)
1	Segment Revenue				
	Logistics	8.86	6,104.58	8,104.39	25,855.08
	Free Trade Warehousing Zones / Distripark	1,782.50	1,710.46	1,714.73	6,465.89
	Containerised Rail Transport Operations	5,569.15	5,412.05	4,628.89	19,334.75
	Software/Others	-	-	-	-
	Unallocated	-	1,466.20	-	-
	TOTAL	7,360.50	14,693.29	14,448.02	51,655.73
2	Segment Results				
	Profit Before Tax & Interest				
	Logistics	(6.94)	721.20	228.02	1,257.54
	Free Trade Warehousing Zones / Distripark	(649.92)	(1,292.78)	(333.27)	(2,598.68)
	Containerised Rail Transport Operations	(790.44)	(2,187.47)	(1,200.66)	(4,065.97)
	Software/Others	-	(228.15)	-	(228.15)
	Unallocated	(749.93)	(1,140.14)	(842.72)	(4,104.85)
	TOTAL	(2,197.23)	(4,127.34)	(2,148.62)	(9,740.10)
	Less : Interest Expenses (Net)	9,658.50	11,717.13	7,632.84	36,629.51
	Profit / (Loss) Before Tax and Exceptional items	(11,855.73)	(15,844.47)	(9,781.46)	(46,369.62)
3	Capital Employed				
	Logistics	-	28,527.29	31,401.38	28,527.29
	Free Trade Warehousing Zones / Distripark	79,207.21	76,937.43	76,721.37	76,937.43
	Containerised Rail Transport Operations	10,398.98	13,436.64	7,621.62	13,436.64
	Unallocated	70,450.46	49,032.78	25,332.29	49,032.78
	Inter Segmental Elimination	(111,008.33)	(110,941.07)	(75,501.11)	(110,941.07)
	TOTAL	49,048.32	56,993.07	65,575.55	56,993.07

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Notes to Consolidated Financial Results:

1. The above financial results for the quarter ended 30th June, 2014 are given as additional information.

2. During the quarter ended 30th June, 2014 (current quarter), the Group has phased out its Logistics Business (freight forwarding). Consequently the Group's revenue declined significantly from Rs. 130.42 crores during the previous quarter ended 31st March, 2014 to Rs. 73.61 crores during the current quarter and the cost of operations declined significantly from Rs. 117.70 crores during the previous quarter ended 31st March, 2014 to Rs. 53.71 crores during the current quarter.

2.1. The Group continues to be under severe financial stress which is reflected by non-payment of full and final settlement dues of employees to the extent of Rs. 12.49 crores delay in payment of dues of interest and repayment of principal borrowings to the bank, non-banking finance company and financial institutions aggregating to Rs. 209.57 crores, short term funds used for long term purposes, statutory dues i.e. income-tax deducted at source, service tax and arrears remaining unpaid to the extent of Rs. 43.82 crores and court cases against the Group for winding up / recovery of dues and due to dishonor of cheques.

To mitigate the financial stress, the Group has taken various steps including opting for Corporate Debt Restructuring and restructuring the business operations as referred to in 2.3 of the Note to Consolidated Financial Results.

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2.2. The Corporate Debt Restructuring (CDR) Scheme of the Group has been approved by the CDR Cell. The Master Restructuring Agreement (MRA) is executed with all banks except one bank. The Group is confident that it shall be able to comply with all the conditions of the CDR Scheme and shall continue to operate as a viable unit.

2.3. The management of the Group is in the process of restructuring its business operations as also those of its subsidiaries in which it has substantial investments, by –

* expanding the business volumes,
* converting Free Trade Warehousing Zone and Industrial Distribution Hub at Khurja, Uttar Pradesh into Sector Specific Special Economic Zones,
* establishing an Inland Container Depot at Khurja, Uttar Pradesh,
* Phasing out of Logistics Business (Freight Forwarding)

3. In the absence of profits, the remuneration of Rs. 1.15 crores paid /provided to Mr. Suhas Thakar, Executive Director, for the financial year 2013-2014, is in excess of the limits prescribed under Section 198 read with Schedule XIII of the Companies Act, 1956. The Group is in the process of making an application to the Central Government for approval of the excess remuneration.

4. One of the Subsidiaries had paid remuneration of Rs. 1.21 crores (excluding Gratuity and Leave Encashment) to its Managing Director for the period from 1st October 2011 to 14th May 2012 as against the Central Government's approval for Rs. 0.75 crore. The excess remuneration of Rs. 0.46 crore paid to the Ex-Managing Director is held by him in trust for the said Subsidiary and is pending recovery.

5. The Group provides gratuity and leave encashment (benefits) based on the actuarial valuation as on 31st March. As regards the provision for benefits for the quarter ended June, September and December, the Group provides the liability on an estimated basis as per the rules applicable to its employees in this regard. The difference between the liability on estimated basis for the first three quarters with the liability on actuarial basis is adjusted during the last quarter / year ended 31st March of each year.

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6. The Group has aligned its depreciation policy in accordance with Schedule II to The Companies Act, 2013. Consequently w.e.f. 1st April, 2014:

(a) The carrying value of assets is now depreciated over its revised remaining useful life.

(b) Where the remaining useful life of the asset is Nil as on 1st April, 2014, carrying value of assets has been adjusted against opening reserves aggregating to Rs. 2.41 crores in accordance with transitional provision of Schedule II.

(c) Had the Group continued to provide depreciation as prescribed by Schedule XIV to the Companies Act, 1956, the charge for the quarter would have been lower by Rs. 9.47 crores (net) and hence the loss for the quarter would have been lower by Rs. 9.47 crores.

7.1. The Holding Company had allotted 1,36,00,000 convertible warrants at Rs.145/- per warrant to promoters/ promoters group on preferential basis pursuant to the special resolution passed by the members of the Holding Company at their meeting held on 18th October, 2012. These warrants have been converted into equity shares (in the ratio of 1 share for 1 warrant) of Rs. 2/- each at a premium of Rs.143/- per share in three tranches i.e. 53,00,000, 52,50,000 and 30,50,000 during the financial years 2014-2015, 2013-2014 and 2012-2013 respectively.

7.2. In accordance with the CDR package, the promoters' have pledged 1,05,50,000 equity shares converted out of the aforesaid warrants to the lenders on 21st July, 2014.

8.1. The Board of Directors of the Company at their meeting held on 24th January, 2014 approved the Scheme of Amalgamation under Section 391/394 of the Companies Act, 1956 of amalgamation of Arshiya Industrial & Distribution Hub Limited and Arshiya Northern FTWZ Limited with Arshiya Transport and Handling Limited. The shareholders of the respective companies have approved the scheme.

8.2. The petition relating to the Scheme of Amalgamation filed by the Group and admitted by the High Court of Bombay on 21st July, 2014 is pending for approval.

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9. During the quarter, the Group has phased out its Logistics Business (freight forwarding) with a view to concentrate more effectively on the Free Trade and Warehousing Zone Business. In view of the same, the Group assigned certain outstanding book debts aggregating to Rs. 57.20 crores and certain outstanding trade payables aggregating to Rs. 57.05 crores in respect of its logistics operations for the quarter ended March 31, 2014.

10. The Group had constructed a building and open warehouse at Vishakhapatnam on leasehold land taken from Vishakhapatnam Port Trust (Port Trust). As per the policy of the said Port Trust, the period of lease is one year, though in practice it is renewable every year and hence the Group has considered the period of lease as perpetual lease, renewable every year. However, the Group's negotiations with the Port Trust for formalising the lease on a perpetual basis did not fructify. Hence, the written down value of the building (including the open warehouse) and other assets aggregating to Rs. 2.47 crores have been written off to the Statement of Consolidated Profit and Loss for the quarter ended 30th June, 2014 and the same is presented as an Exceptional item.

11. The previous period's/year's figures have been regrouped /re-arranged, wherever necessary.

For and on behalf of board of directors of

Arshiya limited

Arshiya Limited Mumbai

Shyam Rathi

CFO & Compliance officer

Place: Mumbai

Date: 12th August, 2014

M. A. PARIKH & CO.
CHARTERED ACCOUNTANTS

Auditor's Report On Quarterly Financial Results of the Company Pursuant to Clause 41 of Listing Agreement

To

The Board of Directors of Arshiya Limited (Formerly known as Arshiya International Limited)

We have reviewed the accompanying Statement of 'Un-audited financial results' of Arshiya Limited for the quarter ended June 30, 2014 hereinafter referred to as 'Statement' except for the disclosures regarding "Public Shareholding" and "Promoter and Promoter Group Shareholding" which have been traced from disclosures made by the management and have not been reviewed by us and the unaudited financial results for the quarter ended June 30, 2013, which were reviewed by the previous auditors. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. This Statement has been prepared by the Company pursuant to Clause 41 of the Listing Agreement with the Stock Exchanges in India. Our responsibility is to issue a report on this statement based on our limited review.

We conducted our review in accordance with the Standard on Review Engagement (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 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 provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Without qualifying our report, we draw your attention to the following :

1. The company continues to be under severe financial stress as reflected by:
   a. Non generation of adequate revenue
   b. Unpaid employee dues amounting to Rs. 7.20 Crores
   c. Overdue loans from bank and other Parties aggregating to Rs. 199.37 crores (including interest accrued and due Rs.54.20 crores).
   d. Unpaid Statutory dues of Rs. 17.73 crores
   e. Unpaid Trade Creditors amounting to Rs. 2.45 crores.

M. A. PARIKH & CO. MUMBAI CHARTERED ACCOUNTANTS

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2. Corporate Debt Restructuring (refer note no. 4.2 of the Statement).
3. No provision for diminution in value of investments in subsidiaries having been made. (Refer note no 5 of the statement).
4. Remuneration of Rs. 1.15 Crore paid/provided during the financial year 2013-2014 to the ex-Executive Director is subject to the approval of the Central Government (Refer note no 6 of the Statement).
5. Note no 8 relating to change in depreciation policy in accordance with Schedule II to the Companies Act, 2013.
6. Note no. 11 relating to phasing out its logistics business (freight forwarding).

Based on our review conducted as above, subject to Note nos. 1 to 6 stated above and more particularly to note no. 3 relating to AS 13 "Accounting for Investment", nothing has come to our attention that causes us to believe that the Statement prepared, fairly in all material aspects, in accordance with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

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

M. A. PARIKH & CO. MUMBAI CHARTERED ACCOUNTANTS

Partner
Name: Mukul M. Patel
Membership No: 32489

Place: Mumbai
Date: 12/08/2014