

M. A. PARIKH & CO.
CHARTERED ACCOUNTANTS

AUDITOR'S REPORT

To,
The Board of Directors,
Arshiya Limited

1. We have reviewed the accompanying 'Un-audited financial statements' of **Arshiya Limited** ("the Company") for the quarter ended 30th June 2015 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. 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.
2. 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.
3. The Company has not been able to generate sufficient cash flows as reflected by non-payment of full and final settlement dues of employees to the extent of Rs. 268.62 lacs, 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. 48,911.79 lacs (including interest of Rs. 20,722.60 lacs), statutory dues remaining unpaid to the extent of Rs. 919.13 lacs and court cases against the Company/Directors for winding up/other legal proceedings for recovery of dues/dishonor of cheques.



4. Mark to Market Losses:

4.1 Axis Bank:

In respect of derivative contracts entered into with Axis Bank, the Company is of the view that MTM Loss has to be worked out taking into account the spot exchange rate(s) on the reporting date as it is committed to continue derivative contracts till their maturity and hence, applying the fair market value presuming that the derivative contracts would be cancelled on the reporting date shall not reflect the correct financial position. However, the bank, which has entered into derivative contracts with the Company has, intimated that the loss on account of MTM loss is Rs 3,650.06 Lacs as upto 30th June, 2015 as against the amount of Rs. 2,552.19 Lacs as determined as per the Company's view.

4.2 ING Vysya Bank :

In respect of derivative contracts entered into by the company with ING Vysya Bank (now amalgamated with Kotak Mahindra Bank Limited (Bank) w.e.f. 1st April, 2015), the bank has prematurely terminated the contracts and has demanded liquidation fees aggregating to Rs. 2,875 lacs. The Company has disputed the premature termination and the liquidation fees. The Company has a provision of Rs. 1,799.43 lacs on account of MTM losses as upto 31st March 2015. Consequential adjustments, if any, will be made at the time of finality of dispute.

5. Remuneration of Rs. 114.82 lacs paid/provided to the Executive Director for F.Y. 2013-14:

The Company is in the process of furnishing the requisite documents to the Central Government Refer Note 8 of the statement referred to in para 1.

6. The Company provides gratuity and leave encashment (benefits) based on 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 employee 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 every year.

7. Certain lenders and creditors have filed winding up petitions/cases/other legal proceedings for recovery of the amounts due to them which are at different stages before the respective judicial forums/authorities. Claims by the said lenders and creditors have been contested by the Company in those proceedings and not acknowledged as debts. It is not possible at this juncture to estimate the financial implications of such claims

8. The Company has not recognized Deferred Tax Assets in view of virtual uncertainty of sufficient future taxable income to set off carried forward losses and unabsorbed depreciation.



9. The balances relating to Sundry Debtors, Creditors, Secured and Unsecured Loans, Certain banks and Loans & Advances as on 30th June, 2015 are subject to confirmation and adjustments, if any on reconciliation of accounts in the year in which finality is reached. Hence, we are unable to express our opinion on the impact if any on the loss for the quarter ended 30th June, 2015.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared, in all material aspects, in accordance with applicable Accounting Standards as per section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, 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



Mukul M. Patel

Mukul M. Patel
Partner
Membership No: 32489

Place: Mumbai
Date: 30th July, 2015

Arshiya Limited

CIN: L27320MH1981PLC024747

(Formerly known as Arshiya International Limited)

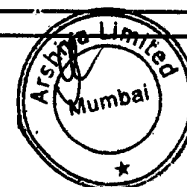
Registered Office: Unit No. A1, 4th Floor, Cnergy, Appa Saheb Marathe Marg, Prabhadevi, Mumbai - 400025

Phone No. 022 42305500 # Email id: info@arshyalimited.com # website: www.arshyalimited.com

CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2015

(Rs. In Lacs)

Sr. No.	Particulars	Quarter Ended			Year Ended
		30.06.2015 (Unaudited)	31.03.2015 (Audited)	30.06.2014 (Unaudited)	31.03.2015 (Audited)
1	Income from operations				
	(a) Net sales/income from operations	8,790.23	8,804.67	7,360.50	32,423.04
	(b) Other operating income	-	-	-	-
	Total income from operations (net)	8,790.23	8,804.67	7,360.50	32,423.04
2	Expenses				
	(a) Cost of operations	5,913.49	6,159.19	5,370.64	22,921.93
	(b) Employee benefits expense	789.57	624.34	770.33	2,748.51
	(c) Depreciation and amortization expense	2,630.70	2,350.59	2,633.22	10,109.33
	(d) Other expenses	714.79	1,227.00	808.56	3,602.25
	Total expenses (a+b+c+d)	10,048.55	10,361.12	9,582.75	39,382.02
3	Profit/(Loss) from operations before other income, finance cost and exceptional items (1-2)	(1,258.32)	(1,556.45)	(2,222.25)	(6,958.98)
4	Other Income	29.02	406.24	25.01	783.10
5	Profit/(Loss) from ordinary activities before finance costs and exceptional items (3+4)	(1,229.31)	(1,150.21)	(2,197.24)	(6,175.88)
6	Finance costs	11,157.89	11,743.12	9,658.50	40,349.45
7	Profit/(Loss) from ordinary activities after finance costs but before exceptional items (5-6)	(12,387.20)	(12,893.33)	(11,855.74)	(46,525.33)
8	Exceptional items	392.74	(353.88)	254.21	1,085.81
9	Prior Period Adjustments	(142.00)	354.75	-	354.75
10	Profit/(Loss) from ordinary activities before tax (7-8-9)	(12,637.94)	(12,894.20)	(12,109.95)	(47,965.89)
11	Tax expense	-	(565.19)	-	(565.19)
12	Net Profit/(Loss) from ordinary activities after tax (10-11)	(12,637.94)	(12,329.01)	(12,109.95)	(47,400.70)
13	Minority Interest	-	-	-	-
14	Extraordinary Item (net of tax expenses)	-	-	-	-
15	Net profit/(Loss) for the period (12-13-14)	(12,637.94)	(12,329.01)	(12,109.95)	(47,400.70)
16	Paid-up equity share capital (Face value per share. Rs. 2/-)	2,638.59	2,548.59	1,448.59	2,548.59
17	Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year				(43,795.61)
18	Earning Per Share (EPS)				
	EPS before and after Extraordinary items (not annualised)				
	- Basic	(9.65)	(44.33)	(16.72)	(44.33)
	- Diluted	(9.65)	(44.33)	(16.72)	(44.33)
19	Public shareholding				
	- Number of Shares	3,90,59,247	3,90,59,247	3,90,59,247	3,90,59,247
	- Percentage of Shareholding	29.61%	30.65%	53.93%	30.65%
20	Promoters and Promoter Group Shareholding				
	a) Pledged/Encumbered				
	- Number of Shares	3,43,70,225	7,43,70,225	1,88,20,225	7,43,70,225
	- Percentage of shares (as a % of the total shareholding of promoters and promoter group)	90.95%	84.16%	56.40%	84.16%
	- Percentage of shares (as a % of the total share capital of the company)	63.95%	58.36%	25.98%	58.36%
	b) Non Encumbered				
	- Number of Shares	85,00,000	1,40,00,000	1,45,50,000	1,40,00,000
	- Percentage of shares (as a % of the total shareholding of promoters and promoter group)	9.15%	15.84%	43.60%	15.84%
	- Percentage of shares (as a % of the total share capital of the company)	6.44%	10.99%	20.09%	10.99%
21	Investor Complaints			For the Quarter ended June 30, 2015	
	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 Limited

CIN: L27320MH1981PLC024747

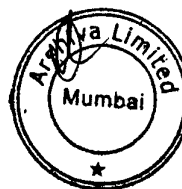
(Formerly known as Arshiya International Limited)

Registered Office: Unit No. A1, 4th Floor, Cnergy, Appa Saheb Marathe Marg, Prabhadevi, Mumbai - 400025

CONSOLIDATED SEGMENTWISE REPORT FOR THE QUARTER ENDED JUNE 30, 2015

(Rs. In Lacs)

Sr. No.	Particulars	Quarter Ended			Year Ended
		30.06.2015 (Unaudited)	31.03.2015 (Audited)	30.06.2014 (Unaudited)	31.03.2015 (Audited)
1	Segment Revenue				
	FTWZ/ICD	2,781.05	2,536.19	1,782.50	8,589.69
	Rail Transport Operations	6,009.18	6,268.48	5,569.15	23,823.90
	Unallocated	-	-	8.85	9.45
	TOTAL	8,790.23	8,804.67	7,360.50	32,423.04
2	Segment Results				
	Profit Before Tax and Interest				
	FTWZ/ICD	(493.40)	2,316.82	(649.92)	(860.57)
	Rail Transport Operations	(733.70)	(749.63)	(790.44)	(2,598.28)
	Unallocated	(2.21)	(2,717.39)	(756.88)	(2,717.03)
	TOTAL	(1,229.31)	(1,150.20)	(2,197.24)	(6,175.88)
	Less: Interest Expenses (Net)	11,157.89	11,743.12	9,658.50	40,349.45
	Profit Before Tax, Exceptional items and Prior Period Items	(12,387.20)	(12,893.32)	(11,855.74)	(46,525.33)
3	Capital Employed				
	FTWZ/ICD	72,053.83	74,913.03	79,207.21	74,913.03
	Rail Transport Operations	(8.50)	3,022.29	10,398.98	3,022.29
	Unallocated	35,225.63	56,317.38	70,450.46	56,317.38
	Inter Segmental Elimination	(97,385.35)	(1,11,960.53)	(1,11,008.33)	(1,11,960.53)
	TOTAL	9,885.62	22,292.17	49,048.32	22,292.17



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CIN: L27320MH1981PLC024747

Registered Office: Unit No. A1, 4th Floor, Cnergy, Appa Saheb Marathe Marg,
Prabhadevi, Mumbai – 400 025

Notes to Consolidated Results:

- 1) The above financial results for the quarter ended 30th June, 2015 have been reviewed by the Audit Committee at their meeting held on 29th July, 2015 and approved by the Board of Directors on 30th July, 2015.
- 2) The figures for the quarter ended on 31st March 2015 are balancing figures between the audited figures in respect of the financial year ended 31st March 2015 and the published year to date unaudited figures for the nine months ended on 31st December, 2014.
- 3) The Consolidated Earnings before Depreciation, Interest and Tax (EBDITA) has improved to Rs. 1,401.39 lacs for Q1 of F.Y. 2015-2016 as compared to Rs. 1,200.40 lacs for Q4 of F.Y. 2014-2015 and Rs. 435.98 lacs for Q1 of F.Y. 2014-2015.
- 4.1) During the F.Y. 2013-2014, Secured Lenders (Banks) had approved the restructuring package under "Corporate Debt Restructuring Package" (CDR). The Group has not been able to generate sufficient cash flows to service the loan repayments/interest payments which resulted into Group's borrowings becoming "Non Performing Assets" (NPA's) with most of the Banks. Such defaults entitle the CDR lenders to reverse the waiver/sacrifices granted by them. The Management is of the view that the lenders are unlikely to exercise their right. Therefore, the recompense amount on account of such waiver/sacrifices estimated at Rs. 158.56 lacs has not been provided. Further some secured lenders which were part of the CDR have assigned their respective outstanding dues to an Asset Reconstruction Company (ARC) on the same terms and conditions as applicable to the said lenders.
- 4.2) The Group has not been able to generate sufficient cash flows as reflected by non-payment of full and final settlement dues of employees to the extent of Rs. 560.46 lacs, 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. 81,869.56 lacs (including interest of Rs. 40,526.50 lacs), statutory dues remaining unpaid to the extent of Rs. 4,043.52 lacs and court cases against the Group/Directors for winding up/other legal proceedings for recovery of dues/dishonor of cheques.
- 4.3) The Management of the Group is restructuring its business operations by –
 - * expanding the business volumes and client base,
 - * commencing the Inland Container Depot (ICD) at Khurja,
 - * infusion of funds by promoters under the CDR package.

The above steps shall enable the Group to improve its net worth and ability to generate cash flows to discharge the debts/liabilities in near future.



- 5) Pursuant to the CDR Package and special resolution passed by the members of the Holding Company on 12th May, 2014, the Holding Company has allotted 45,00,000 equity shares to promoters on preferential basis on 21st April 2015. The promoters have pledged the aforesaid equity shares with the lenders on 1st July 2015.
- 6) In view of absence of profits, the remuneration amounting to Rs.114.82 lacs paid/provided for FY 2013-2014 to Mr. Suhas Thakar, Ex-Executive Director of the Holding Company, being in excess of limits prescribed under Section 198 read with Schedule XIII of the Companies Act, 1956, the Holding Company had filed application to the Central Government during financial year 2014-2015 for waiver of excess remuneration paid. The Central Government has directed the Holding Company to furnish certain documents in support of the application and the Holding Company is now in the process of filing the requisite documents.
- 7) **Mark to Market Losses**

Axis Bank

In respect of Derivative contracts assigned to foreign currency assets and liabilities, an amount of Rs.167.55 lacs in respect of MTM losses upon determination of fair market value of derivatives entered into by the Holding Company has been charged to the Statement of Profit and Loss for the quarter ended 30th June 2015. The Holding Company is of the view that MTM loss has to be worked out taking into account the spot exchange rate(s) on the reporting date as it is committed to continue derivative contracts till their maturity and hence, applying the fair market values presuming that the derivative contracts would be cancelled on the reporting date, shall not reflect the correct financial position. However, the Bank which has entered into derivative contracts with the Holding Company has intimated that, the loss on account of MTM is Rs. 3,650.06 lacs as upto 30th June, 2015 as against the amount of Rs. 2,552.19 lacs determined as per the Holding Company's view.

ING Vysya Bank

In respect of derivative contracts entered into by the Holding Company with ING Vysya Bank (now amalgamated with Kotak Mahindra Bank Limited (Bank) w.e.f. 1st April, 2015), the bank has prematurely terminated the contracts and has demanded liquidation fees aggregating to Rs. 2,875 lacs. The Holding Company has disputed the premature termination and the liquidation fees. The Holding Company has a provision of Rs. 1,799.43 lacs on account of MTM losses as upto 31st March 2015. Consequential adjustments, if any, will be made at the time of finality of dispute.

- 8) Exceptional items (Net) for the current quarter are as under:

		(Rs. in lacs)
Sr. No.	Particulars	Quarter ended 30 th June, 2015
a)	Loss on Sale of Land	592.35
b)	Mark to Market Losses	167.55
c)	Legal and Professional fees related to restructuring	254.20
d)	Bad Debts Written Off	199.01
e)	Sundry Balance written back (Net)	(825.37)
f)	Provision for Diminution of Valuation in Investment	5.00
TOTAL		392.74



Note: Figures in brackets denote items of credit nature.

- 9) Certain lenders and creditors have filed winding up petitions/cases/other legal proceedings for recovery of the amounts due to them which are at different stages before the respective judicial forums/authorities. Claims by the said lenders and creditors have been contested by the respective Group Companies in those proceedings and not acknowledged as debts. It is not possible at this juncture to estimate the financial implications of such claims.
- 10) With respect to Khurja, Uttar Pradesh, the Industrial and Distribution Hub is now converted into an Inland Container Depot to support the FTWZ and Rail Infrastructure at Khurja. In view of this development the scheme of amalgamation related to Arshiya Northern FTWZ Limited (ANFL) and Arshiya Industrial & Distribution Hub Limited (AIDHL) with Arshiya Transport and Handling Limited (ATHL) filed with Bombay High Court was withdrawn.
- 11) The Group operates in two primary reportable segments i.e. "Developing and Operating FTWZ / ICD" and "Rail Transport Operations" and in a single geographical segment i.e. India as per Accounting Standard 17 - "Segment Reporting".
- 12) The previous period's quarter /year figures have been regrouped/re-arranged, wherever necessary.

For and on behalf of board of directors of
Arshiya limited



A handwritten signature in black ink, appearing to read "Ajay S Mittal".

Ajay S Mittal
Chairman and Managing Director
DIN: 00226355

Place: Mumbai
Date: 30th July, 2015

Arshiya Limited

CIN: L27320MH1981PLC024747

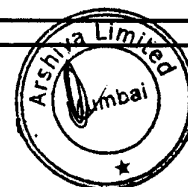
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Phone No. 022 42305500 # Email id: info@arshiyalimited.com # website: www.arshiyalimited.com

UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED ON 30TH JUNE, 2015

(Rs. In Lacs)

Sr.No.	Particulars	Quarter Ended			Year Ended
		30.06.2015 (Unaudited)	31.03.2015 (Audited)	30.06.2014 (Unaudited)	31.03.2015 (Audited)
1	Income from operations				
	(a) Income from operations	1,608.41	1,427.11	1,096.28	5,050.53
	(b) Other operating income	-	-	-	-
	Total income from operations (net)	1,608.41	1,427.11	1,096.28	5,050.53
2	Expenses				
	(a) Cost of operations	102.40	85.75	93.80	345.04
	(b) Employee benefits expense	443.76	360.77	355.21	1,428.30
	(c) Depreciation and amortization expense	651.29	643.28	781.02	2,922.02
	(d) Other expenses	444.45	548.10	539.33	2,087.56
	Total expenses (a+b+c+d)	1,641.90	1,637.91	1,769.36	6,782.92
3	Profit/(Loss) from operations before other income, finance costs and exceptional items (1-2)	(33.48)	(210.80)	(673.08)	(1,732.39)
4	Other Income	0.10	21.33	19.60	60.23
5	Profit/(Loss) from ordinary activities before finance costs and exceptional items (3+4)	(33.38)	(189.46)	(653.48)	(1,672.16)
6	Finance costs	5,744.10	5,785.71	4,973.08	21,320.83
7	Profit/(Loss) from ordinary activities after finance costs but before exceptional items (5-6)	(5,777.48)	(5,975.18)	(5,626.56)	(22,992.99)
8	Exceptional Items (Net)	81.32	(27.57)	7.49	1,089.94
9	Prior Period Adjustment	-	317.40	-	317.40
10	Profit/(Loss) from ordinary activities before tax (7-8-9)	(5,858.81)	(6,265.00)	(5,634.05)	(24,400.33)
11	Tax expense	-	-	-	-
12	Net profit/(Loss) for the period from ordinary activities (10-11)	(5,858.81)	(6,265.00)	(5,634.05)	(24,400.33)
13	Paid-up equity share capital (Face value per share Rs. 2/-)	2,638.59	2,548.59	1,448.59	2,548.59
14	Reserves excluding Revaluation Reserves as per Balance sheet of previous accounting year				21,803.33
15	Earnings Per Share (EPS)				
	EPS before and after Extraordinary items (not annualised)				
	- Basic	(4.47)	(4.92)	(7.78)	(22.82)
	- Diluted	(4.47)	(4.92)	(7.78)	(22.82)
16A	Particulars of Shareholdings				
	i Public shareholding				
	- Number of Shares	3,90,59,247	3,90,59,247	3,90,59,247	3,90,59,247
	- Percentage of Shareholding	29.61%	30.65%	53.93%	30.65%
	ii Promoters & Promoter Group Shareholding				
	a) Pledged/Encumbered				
	- Number of Shares	8,43,70,225	7,43,70,225	1,88,20,225	7,43,70,225
	- Percentage of shares (as a % of the total shareholding of promoters and promoter group)	90.85%	84.16%	56.40%	84.16%
	- Percentage of shares (as a % of the total share capital of the company)	63.95%	58.36%	25.98%	58.36%
	b) Non Encumbered				
	- Number of Shares	85,00,000	1,40,00,000	1,45,50,000	1,40,00,000
	- Percentage of shares (as a % of the total shareholding of promoters and promoter group)	9.15%	15.84%	43.60%	15.84%
	- Percentage of shares (as a % of the total share capital of the company)	6.44%	10.99%	20.09%	10.99%
16B	Investor Complaints				
				For the quarter ended on 30th June, 2015	
	Pending at the beginning of the quarter			Nil	
	Received during the quarter			1	
	Disposed off during the quarter			1	
	Remaining unresolved at the end of the quarter			Nil	



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CIN: L27320MH1981PLC024747

Registered Office: Unit No. A1, 4th Floor, Cnergy, Appa Saheb Marathe Marg,
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Notes to Standalone Results:

- 1) The above financial results for the quarter ended 30th June, 2015 have been reviewed by the Audit Committee at their meeting held on 29th July, 2015 and approved by the Board of Directors on 30th July, 2015.
- 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, 2015.
- 3) The figures for the quarter ended on 31st March 2015 are balancing figures between the audited figures in respect of the financial year ended 31st March 2015 and the published year to date unaudited figures for the nine months ended on 31st December, 2014.
- 4) The Company's Earnings before Depreciation, Interest and Tax (EBDITA) has improved to Rs. 617.91 lacs for Q1 of F.Y. 2015-2016 as compared to Rs. 453.82 lacs for Q4 of F.Y. 2014-2015 and Rs.127.54 lacs for Q1 of F.Y. 2014-2015.
- 5.1) During the F.Y. 2013-2014, Secured Lenders (Banks) had approved the restructuring package under "Corporate Debt Restructuring Package" (CDR). The Company has not been able to generate sufficient cash flows to service the loan repayments/interest payments which resulted into Company's borrowings becoming "Non Performing Assets" (NPA's) with most of the Banks. Such defaults entitle the CDR lenders to reverse the waiver/sacrifices granted by them. The Management is of the view that the lenders are unlikely to exercise their right. Therefore, the recompense amount on account of such waiver/sacrifices estimated at Rs. 8,245 lacs has not been provided. Further some secured lenders which were part of the CDR have assigned their respective outstanding dues to an Asset Reconstruction Company (ARC) on the same terms and conditions as applicable to the said lenders.
- 5.2) The Company has not been able to generate sufficient cash flows as reflected by non-payment of full and final settlement dues of employees to the extent of Rs. 268.62 lacs, 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. 48,911.79 lacs (including interest of Rs. 20,722.60 lacs), statutory dues remaining unpaid to the extent of Rs. 919.13 lacs and court cases against the Company/Directors for winding up/other legal proceedings for recovery of dues/dishonor of cheques.



5.3) The Management of the Company is restructuring its business operations as also those of its subsidiaries in which it has substantial investments, by –

- * expanding the business volumes and client base,
- * commencing the Inland Container Depot (ICD) at Khurja,
- * infusion of funds by promoters under the CDR package.

The above steps shall enable the Company to improve its net worth and ability to generate cash flows to discharge the debts/liabilities in near future.

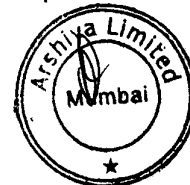
6) Pursuant to the CDR Package and special resolution passed by the members of the Company on 12th May, 2014, the Company has allotted 45,00,000 equity shares to promoters/promoters group on preferential basis on 21st April 2015. The promoters have pledged the aforesaid equity shares with the lenders on 1st July 2015.

7) The Company holds strategic and long term investments by way of equity shares in its subsidiaries, the aggregate cost of which is Rs. 83,419.41 lacs as on 30th June, 2015. The present “net asset value” of the said investments are lower than their costs of acquisition. Considering that the said investments are long-term and strategic in nature and the said subsidiaries are implementing their respective Revival Plans along with the future business plans of the Company, the Management is of the view that, the diminution in value of its investments being temporary in nature, no further provision for diminution in value is called for at this juncture, except in respect of one subsidiary, where the Company has made provision of Rs. 5 lacs for diminution in value of investments.

8) In view of absence of profits, the remuneration amounting to Rs.114.82 lacs paid/provided for FY 2013-2014 to Mr. Suhas Thakar, Ex-Executive Director, being in excess of limits prescribed under Section 198 read with Schedule XIII of the Companies Act, 1956, the Company had filed application to the Central Government during financial year 2014-2015 for waiver of excess remuneration paid. The Central Government has directed the Company to furnish certain documents in support of the application and the Company is now in the process of filing the requisite documents.

9) **Mark to Market Losses**
Axis Bank

In respect of Derivative contracts assigned to foreign currency assets and liabilities, an amount of Rs.167.55 lacs in respect of MTM losses upon determination of fair market value of derivatives entered into by the Company has been charged to the Statement of Profit and Loss for the quarter ended 30th June 2015 . The Company is of the view that MTM loss has to be worked out taking into account the spot exchange rate(s) on the reporting date as it is committed to continue derivative contracts till their maturity and hence, applying the fair market values presuming that the derivative contracts would be cancelled on the reporting date, shall not reflect the correct financial position. However,



the Bank which has entered into derivative contracts with the Company has intimated that, the loss on account of MTM is Rs. 3,650.06 lacs as upto 30th June, 2015 as against the amount of Rs. 2,552.19 lacs determined as per the Company's view.

ING Vysya Bank

In respect of derivative contracts entered into by the company with ING Vysya Bank (now amalgamated with Kotak Mahindra Bank Limited (Bank) w.e.f. 1st April, 2015), the bank has prematurely terminated the contracts and has demanded liquidation fees aggregating to Rs. 2,875 lacs. The Company has disputed the premature termination and the liquidation fees. The Company has a provision of Rs. 1,799.43 lacs on account of MTM losses as upto 31st March 2015. Consequential adjustments, if any, will be made at the time of finality of dispute.

- 10) Exceptional items (Net) for the current quarter are as under:

		(Rs. in lacs)
Sr. No.	Particulars	Quarter ended 30 th June, 2015
a)	Loss on Sale of Land	338.73
b)	Mark to Market Losses	167.55
c)	Legal and Professional fees related to restructuring	100.00
d)	Bad Debts Written Off	20.56
e)	Sundry creditors written back (Net)	(550.51)
TOTAL		76.32

Note: Figures in brackets denote items of credit nature.

- 11) Certain lenders and creditors have filed winding up petitions/cases/other legal proceedings for recovery of the amounts due to them which are at different stages before the respective judicial forums/authorities. Claims by the said lenders and creditors have been contested by the Company in those proceedings and not acknowledged as debts. It is not possible at this juncture to estimate the financial implications of such claims.
- 12) The Company is primarily engaged in developing and operating Free Trade Warehousing Zone (FTWZ). In the opinion of the Company, the entire business is governed by same set of risks and returns and hence, the same has been considered as representing a single primary segment. The Company provides services within India and hence, doesn't have any operations in economic environments with different risks and returns. Hence, it is considered that the Company is operating in single geographical segment.



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

For and on behalf of board of directors of
Arshiya limited



A handwritten signature in black ink, appearing to read "Ajay S Mittal".

Ajay S Mittal
Chairman and Managing Director
DIN: 00226355

Place: Mumbai

Date: 30th July, 2015