Arshiya
Complex is simple

Ref: AL/SE/0714/03

Date: 09/07/2014

National Stock Exchange of India Limited Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra- Kurla Complex, Bandra (East), Mumbai - 400051. Fax No. 2659 8237 / 38	Corporate Relationship Department Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers, 2nd Floor, Dalal Street, Mumbai – 400 001 Fax No. 2272 3121/ 2037

Re.: - Arshiya Limited – **NSE Scrip Name: ARSHIYA**
BSE Scrip Code: 506074

SUB: Outcome of the Board meeting and submission of Audited Financial Results for the financial year 2013-2014

Dear Sir,

This is to inform you that the Board of Directors of the Company at its meeting held today, have:

i. Considered, approved and taken on record the Audited Financial Results (Standalone and Consolidated) for the quarter and financial year ended 31st March, 2014.

ii. Approved the phasing out of Logistic Business (freight forwarding) of the company with a view to concentrate more effectively on the Free Trade and Warehousing Zone Business.

Pursuant to Clause 41 of the Listing Agreement enclosed please find the Audited Financial Results (Standalone and Consolidated) for your information and record.

This is for your information and record please.

Thanking you.

Yours faithfully,

For Arshiya Limited

Arshiya Limited Mumbai

Ajay S Mittal
Chairman & Managing Director

Arshiya Limited (Formerly Arshiya International Limited): - CIN: L27320MH1981PLC024747
Registered Office: - 402, Level 4, Ceejay House, F- Block,
Shiv Sagar Estate, Dr. Annie Besant Road, Worli, Mumbai – 400 018.
T: +91 22 42305400/01 **F**: +91 22 4230 5476
info@arshiyalimited.com I www.arshiyalimited.com

M. A. PARIKH & CO.
CHARTERED ACCOUNTANTS

AUDITOR'S REPORT

To
The Board of Directors of
Arshiya Limited

1. We have audited the accompanying Statement of Financial Results ("the Statement") of Arshiya Limited ("the Company") for the year ended 31st March, 2014, 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 31st March, being balancing figures between the audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the relevant financial year.

YUSUF BUILDING, 2ND FLOOR, 43, MAHATMA GANDHI ROAD, FORT, MUMBAI – 400 001.
TELEPHONE: 2204 1018 · 2204 3850 · 2202 9187 · FAX: 91-22-2287 4524 · E-MAIL: maparikh@eth.net

4. We draw attention to Note 4.1 regarding severe financial stress faced by the Company which is reflected by outstanding full and final settlement dues of resigned employees to the extent of Rs.418.04 lacs, statutory dues i.e. income tax deducted at source and service tax of Rs.1897.42 lacs are in arrears, the dues (interest and repayment of borrowings) of a bank, financial institutions and a non-banking finance company aggregating to Rs.19,033.60 Lacs are overdue, short term funds are used for long term purposes and certain lenders have filed court cases against the Company for winding up /recovery of dues and against Directors due to dishonor of cheques. The Corporate Debt Restructuring (CDR) Scheme of the Company has been approved by the CDR Cell and is under implementation.

To mitigate the financial stress, the Company has taken various steps including opting for CDR and restructuring the business operations as referred to in Note 4.3 of the Statement.

5. During the year ended 31st March, 2014, the Company has accounted Mark to Market (MTM) Loss (net) of Rs.393.08 Lacs from tangible assets (net of depreciation) and Rs.85.60 Lacs from foreign currency translation reserve account have been charged to the Statement of Profit & Loss for the year, which have been shown as Exceptional Item.

On account of above, an amount of Rs.3231.14 Lacs in respect of MTM losses upon determination of fair market value of derivatives entered into by the Company have been charged.

If the Company had continue to follow the policy of deferring the write off of MTM losses, the charge for the year would have been lower by Rs.3134.32 Lacs. The Company is of the views that MTM Loss has to be worked out taking into 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 resuming that the derivative contracts would be cancelled on the reporting date shall not reflect the correct financial position. However, the banks who have entered into derivative contracts with the Company have, intimated that the loss on account of MTM loss is Rs.7088.73 Lacs as upto 31st March, 2014 as against the amount of Rs.3391.57 Lacs as determined as per the Company's view.



6. Remuneration of Rs.114.82 Lacs paid/provided to the Executive Director is subject to the approval of the Central Government.

7. In our opinion and to the best of our information and according to the explanations given to us, on the basis stated in paragraphs 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 quarter / year ended 31st March, 2014.

8. 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 companies.



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

(Mukul Patel)
Partner
Membership No.32489

Place: Mumbai
Dated: 9th July,2014

Arshiya Limited

Registered Office : 402-403,Level 4, Ceejay House, Shiv Sagar Estate, F-Block, Dr.Annie Besant Road,Worli, Mumbai – 400018.

STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2014

(Rs In Lacs)

Sr.No.		Quarter Ended			Year Ended	
		31.03.2014 (Audited)	31.12.2013 (Unaudited)	31.03.2013 (Audited)	31.03.2014 (Audited)	31.03.2013 (Audited)
1	**Income from operations**					
	(a) Income from operations	7,066.01	6,169.63	10,061.44	30,136.16	70,097.09
	(b) Other operating income	33.42	-	17.97	33.42	17.97
	Total income from operations (net)	**7,099.43**	**6,169.63**	**10,079.41**	**30,169.58**	**70,115.06**
2	**Expenses**					
	(a) Cost of operations	5,915.64	4,936.18	9,307.88	25,265.06	49,662.18
	(b) Employee benefits expense	744.52	378.47	419.44	1,907.21	3,254.67
	(c) Depreciation and amortization expense	525.59	469.13	524.30	1,958.10	1,990.84
	(d) Other expenses	1,453.42	488.34	943.71	3,314.20	4,198.92
	Total expenses (a+b+c+d)	**8,639.17**	**6,272.12**	**11,195.33**	**32,444.57**	**59,106.61**
3	**Profit/ (Loss) from operations before other income, finance costs and exceptional items (1-2)**	**(1,539.74)**	**(102.49)**	**(1,115.92)**	**(2,274.99)**	**11,008.45**
4	Other Income	1,442.20	2.36	9.53	1,485.28	2,317.00
5	**Profit / (Loss) from ordinary activities before finance costs and exceptional items (3+4)**	**(97.54)**	**(100.13)**	**(1,106.39)**	**(789.71)**	**13,325.45**
6	Finance costs	6,558.16	4,929.89	3,451.99	18,487.80	13,221.67
7	**Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5-6)**	**(6,655.70)**	**(5,030.02)**	**(4,558.38)**	**(19,277.51)**	**103.78**
8	Exceptional Items	1,656.80	2,304.80	1,094.82	10,667.35	1,542.95
9	Prior Period Adjustment	(81.36)	-	-	(81.36)	-
10	**Profit / (Loss) from ordinary activities before tax (7-8-9)**	**(8,231.14)**	**(7,334.82)**	**(5,653.20)**	**(29,863.50)**	**(1,439.17)**
11	Tax expense (Current Tax, MAT Credit and Deferred Tax)	(66.77)	1,539.65	(1,502.87)	(95.83)	(38.67)
12	**Net profit/ (Loss) for the period (10-11)**	**(8,164.37)**	**(8,874.47)**	**(4,150.33)**	**(29,767.67)**	**(1,400.50)**
13	**Paid-up equity share capital (Face value per share Rs.2/-)**	**1,342.59**	**1,237.59**	**1,237.59**	**1,342.59**	**1,237.59**
14	**Reserves excluding Revaluation Reserves**	**31,609.97**	-	-	**31,609.97**	**53,784.56**
15	**Earning Per Share (EPS)**					
	EPS before & after Extraordinary items (not annualised)					
	- Basic	(13.18)	(14.34)	(6.71)	(48.07)	(2.33)
	- Diluted	(13.18)	(14.34)	(6.71)	(48.07)	(2.33)
16	**Public shareholding**					
	- Number of Shares	**3,90,59,247**	**3,90,59,247**	**3,90,09,247**	**3,90,59,247**	**3,90,09,247**
	- Percentage of Shareholding	**58.18%**	**63.12%**	**63.04%**	**58.18%**	**63.04%**
17	**Promoters & Promoter Group Shareholding**					
	a) Pledged/Encumbered					
	- Number of Shares	**1,57,70,225**	**1,57,70,225**	**46,10,000**	**1,88,20,225**	**46,10,000**
	- Percentage of shares (as a % of the total shareholding of promoter & promoter group)	**56.18%**	**69.11%**	**20.16%**	**67.05%**	**20.16%**
	- Percentage of shares (as a % of the total share capital of the company)	**23.49%**	**25.49%**	**7.45%**	**28.04%**	**7.45%**
	b) Non Encumbered					
	- Number of Shares	**70,50,000**	**70,50,000**	**1,82,60,225**	**92,50,000**	**1,82,60,225**
	- Percentage of shares (as a % of the total shareholding of promoter & promoter group)	**30.89%**	**30.89%**	**79.84%**	**32.95%**	**79.84%**
	- Percentage of shares (as a % of the total share capital of the company)	**10.50%**	**11.39%**	**29.51%**	**13.78%**	**29.51%**
18	**Investor Complaints**			**For the quarter ended March 31, 2014**		
	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 Mumbai

For ARSHIYA LIMITED

Ajay S Mittal

Arshiya Limited

Registered Office : 402-403,Level 4, Ceejay House, Shiv Sagar Estate, F-Block, Dr.Annie Besant Road,Worli,.Mumbai – 400018.

STANDALONE STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2014

(Rs in Lacs)

Sr.No.		STANDALONE	
		31.03.2014 (Audited)	31.03.2013 (Audited)
I	**EQUITY AND LIABILITIES**		
	(1) Shareholders' funds		
	(a) Share capital	1,342.59	1,237.59
	(b) Reserves and surplus	54,575.54	53,784.56
		55,918.13	**55,022.15**
	(c) Share Warrant Money	2,749.00	8,360.88
		58,667.13	**63,383.03**
	(3) Non-current liabilities		
	(a) Long-term borrowings	1,24,408.67	1,04,537.33
	(b) Deferred tax liabilities (net)	-	1,568.72
	(c) Other long-term liabilities	109.53	105.55
	(c) Long-term Provision	60.79	103.79
		1,24,578.99	**1,06,315.39**
	(4) Current liabilities		
	(a) Short-term borrowings	22,474.11	20,258.13
	(b) Trade payables	6,043.51	21,207.93
	(c) Other current liabilities	34,745.73	42,923.52
	(d) Short-term provisions	3,459.00	622.91
		66,722.35	**85,012.49**
	TOTAL	**2,49,968.47**	**2,54,710.91**
II	**ASSETS**		
	(1) Non-current assets		
	(a) Fixed assets	1,48,198.49	1,28,899.63
	(b) Non-current investments	83,459.72	49,879.53
	(c) Long-term loans and advances	7,704.39	36,073.47
	(d) Other non-current assets	61.33	2,118.04
		2,39,423.93	**2,16,970.67**
	(2) Current assets		
	(a) Trade receivables	7,789.00	31,799.73
	(b) Cash and bank balances	567.58	507.53
	(c) Short-term loans and advances	2,186.36	3,451.30
	(d) Other current assets	1.60	1,981.68
		10,544.54	**37,740.24**
	TOTAL	**2,49,968.47**	**2,54,710.91**

Arshiya Limited Mumbai

For ARSHIYA LIMITED

Ajay S Mittal
Chairman & Managing Director

Arshiya Limited

Registered Office : 402-403,Level 4, Ceejay House, Shiv Sagar Estate, F-Block, Dr.Annie Besant Road,Worli, Mumbai – 400018.

STANDALONE SEGMENTWISE REPORT FOR THE QUARTER AND YEAR ENDED MARCH 31, 2014

(Rs In Lacs)

Sr.No.		Quarter Ended			Year Ended	
		31.03.2014 (Audited)	31.12.2013 (Unaudited)	31.03.2013 (Audited)	31.03.2014 (Audited)	31.03.2013 (Audited)
1	**Segment Revenue**					
	Logistics	6,075.73	5,012.66	9,008.89	25,828.51	57,376.13
	Free Trade Warehousing Zones	1,023.70	1,156.98	1,070.52	4,341.07	12,738.93
	TOTAL	**7,099.43**	**6,169.64**	**10,079.41**	**30,169.58**	**70,115.06**
2	**Segment Results**					
	Profit Before Tax and Interest					
	Logistics	703.76	186.90	(389.85)	1,241.95	6,838.53
	Free Trade Warehousing Zones (*)	361.78	448.87	570.17	1,326.21	9,369.46
	Unallocated	(1,011.31)	(776.32)	(1,466.16)	(3,357.88)	(5,658.04)
	TOTAL	**54.23**	**(140.55)**	**(1,285.84)**	**(789.72)**	**10,549.95**
	Less : Interest Expenses (Net)	6,709.93	4,889.47	3,272.54	18,487.80	10,446.17
	Profit /(Loss) Before Tax and exceptional items	**(6,655.70)**	**(5,030.02)**	**(4,558.38)**	**(19,277.52)**	**103.78**
	Less : Prior Period Adjustments	(81.36)			(81.36)	-
	Less : Exceptional Items	1,656.80	2,304.80	1,094.82	10,667.35	1,542.95
	Profit / (Loss) from ordinary activities before tax	**(8,231.14)**	**(7,334.82)**	**(5,653.20)**	**(29,863.51)**	**(1,439.17)**
	Less : Tax Expenses	(66.77)	1,539.65	(1,502.87)	(95.83)	(38.67)
	Net profit/ (Loss) for the period	**(8,164.37)**	**(8,874.47)**	**(4,150.33)**	**(29,767.68)**	**(1,400.50)**
3	**Capital Employed**					
	Logistics	28,527.29	29,420.41	31,340.18	28,527.29	31,340.18
	Free Trade Warehousing Zones	15,500.22	39,877.73	43,402.76	15,500.22	43,402.76
	Unallocated	14,639.61	(27,432.82)	(11,359.92)	14,639.61	(11,359.92)
	TOTAL	**58,667.12**	**41,865.32**	**63,383.02**	**58,667.12**	**63,383.02**

Arshiya Limited Mumbai

For ARSHIYA LIMITED

Ajay S Mittal
Chairman & Managing Director

Arshiya Limited

Registered Office: 402-403, Level 4, Ceejay House, Shiv Sagar Estate,F-Block, Dr.Annie Besant Road, Worli,Mumbai – 400 018.

Notes to Standalone Results:

1) The above financial results for the quarter ended 31st March, 2014 and year ended on that date have been reviewed by the Audit Committee and approved by the Board of Directors at the meeting held on 9th July, 2014.

2) The figures for the quarter ended March 31, 2014 and March 31, 2013 (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, 2013 and December 31, 2012.

3) The Statutory Auditors of the Company have carried out the audit on standalone basis of the financial results for the quarter ended 31st March, 2014 and the year ended 31st March, 2014.

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. 418.04 Lacs, delay in payment of dues of interest and repayment of principal borrowings to the banks, non-banking finance company and financial institutions aggregating to Rs. 19,033.60 lacs, including interest of Rs. 4,516.93 lacs accrued and due, 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. 1,897.42 lacs and court cases against the Company for winding up / recovery of dues and due to 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 opting for Corporate Debt Restructuring and restructuring the business operations as referred to in 4.3 of the statement.

Arshiya Limited Mumbai

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.**

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 at Khurja, Uttar Pradesh into Sectors Specific Special Economic Zones,**
* **establishing an Inland Container Depot,**
* **tying up the requisite funds for the said purposes,**
* **Phasing out of Logistic Business (Freight Forwarding)**

5.1) In view of the financial stress as stated above, the Chairman and Managing Director of the Company decided not to draw any Salary for the financial years 2012-2013 and 2013-2014. Consequently, the Board of Directors of the Company at their meeting held on 2nd April, 2014 decided that the Company's application to the Central Government for approval of excess remuneration of Rs. 340.76 lacs paid/provided in the years 2012-2013 and 2013-2014 be withdrawn and accordingly, the same was withdrawn. The entire remuneration paid to the Chairman and Managing Director has been recovered during the quarter ended 31st March, 2014.

5.2) In the absence of profits, the remuneration of Rs. 114.82 lacs paid /provided to Mr. Suhas Thakar, Executive Director, 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 for approval of the excess remuneration.

Arshiya Limited
Mumbai

6) **During the quarter/ year ended 31st March, 2014, the Company has changed its accounting policy of capitalising / deferring its Reserve for Mark to Market Losses (MTM) on its derivatives (for conversion of rupee loan liability into foreign loan) following an announcement by the Institute of Chartered Accountants of India on "Accounting for Derivatives" by charging MTM losses directly in the Statement of Profit & Loss. Due to the above change, an amount of Rs. 393.08 lacs from tangible assets (net of depreciation) and Rs.85.60 lacs from Foreign Currency Translation Reserve Account have been charged to the Statement of Profit and Loss for the year, which have been shown as Exceptional Item.**

On account of above, an amount of Rs. 3,231.14 lacs in respect of MTM losses upon determination of fair market value of derivatives entered into by the Company have been charged which includes Rs. Nil relating to earlier years.

If the Company had continued to follow the policy of deferring the write off of MTM losses, the charge for the year would have been lower by Rs. 3,134.32 lacs.

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 Banks who have entered into derivative contracts with the Company have, intimated that the loss on account of MTM loss is Rs. 7,088.73 lacs as upto 31st March, 2014 as against the amount of Rs. 3,391.57 lacs as determined as per the Company's view.



7) **Exceptional items for the current year are as under:**

(Rs. in lacs)

Sr. No.	Particulars	Year ended 31st March,2014
(a)	Waiver of interest	(304.59)
(b)	Mark to Market Losses written off	3,709.82
(c)	Ancillary borrowing costs written off	2,146.02
(d)	Leasehold Improvements written off	111.48
(e)	Reversal of provision for investments and loans	(1,000.18)
(f)	Reversal of Managerial Remuneration	(340.76)
(g)	Profit on sale of Assets	(72.87)
(h)	Profit on sale of office premises	(66.67)
(i)	Bad debts written off (net of excess provision written back)	5,837.34
(j)	Professional fees for Corporate Debt Restructuring	647.76
	TOTAL	10,667.35

Note: Figures in brackets denote items of income nature

8) 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. Out of these, 52,50,000 & 30,50,000 warrants have been converted into equity shares (in the ratio of 1 share for 1 warrant) of Rs. 2/- each at the premium of Rs.143/- per share during the financial years 2013-2014 and 2012-2013 respectively.

Arshiya Limited Mumbai

9) **During the year, Secured Lenders (Banks) have approved the restructuring package under "Corporate Debt Restructuring Package" (CDR), which inter-alia provided for:-**

(a) (i) Reschedulement of the principal amount of the loans and dates thereof;

(ii) Funding of unpaid interest on the Term Loans from October, 2012 to October, 2014;

(iii) Waiver of all liquidated damages/ penal charges/ penal interest /excess interest, i.e. in excess of documented rate of all the facilities from the cut-off date 1st October, 2012 till the implementation of the package.

(b) Secured Lenders have a right to recompense.

(c) The benefits under the CDR package have been recognized in the Accounts for the year ended 31st March, 2014, whereby-

(i) Balance standing to the credit of interest accrued and due on loans (net of waiver) as of 31st March, 2013 and interest for the year aggregating to Rs. 17,565.43 lacs has been transferred to Funded Interest Term Loan (FITL);

(ii) Interest on Secured Loans of Rs. 304.59 lacs waived by the Secured Lenders (Banks) has been disclosed in the Statement of Profit & Loss as "Exceptional Item".

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

10) (a) 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.



(b) The Scheme has been filed with Hon. High Court of Bombay on 27.03.2014 and is pending for approval.

11) The Company has decided to phase out its logistics operations. In view of the same, the Company assigned certain outstanding book debts aggregating to Rs. 26,265.53 lacs and certain outstanding trade payables aggregating to Rs. 26,212.07 lacs in respect of its logistics operations for the period as upto December 31, 2013.

12) Tax Expense for the current year represents income tax liability amounting Rs. 1,472.89 lacs of previous years and reversal of Deferred Tax Rs. 1,568.72 lacs.

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

For and on behalf of board of directors of

Arshiya limited





Ajay S Mittal

Chairman and Managing Director

Place: Mumbai

Date: 9th July, 2014

M. A. PARIKH & CO.
CHARTERED ACCOUNTANTS

AUDITOR'S REPORT

To
The Board of Directors of
Arshiya Limited

1. We have audited the accompanying Statement of Consolidated Financial Results ("the Statement") of Arshiya Limited ("the Company") for the year ended 31st March, 2014, 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 31st March, being balancing figures between the audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the relevant financial year.

YUSUF BUILDING, 2ND FLOOR, 43, MAHATMA GANDHI ROAD, FORT, MUMBAI – 400 001.
TELEPHONE: 2204 1018 · 2204 3850 · 2202 9187 · FAX: 91-22-2287 4524 · E-MAIL: maparikh@eth.net

4. We draw attention to Note 3.1 regarding severe financial stress faced by the Company which is reflected by outstanding full and final settlement dues of resigned employees to the extent of Rs.716.75 lacs, statutory dues i.e. income tax deducted at source and service tax of Rs.4635.28 lacs are in arrears, the dues (interest and repayment of borrowings) of a bank, financial institutions and a non-banking finance company aggregating to Rs.20834.98 Lacs are overdue, short term funds have been used for long term purposes and certain lenders have filed court cases against the Company for winding up /recovery of dues and Directors due to dishonor of cheques. The Corporate Debt Restructuring (CDR) Scheme of the Company has been approved by the CDR Cell and is under implementation.

To mitigate the financial stóress, the Company has taken various steps including opting for CDR and restructuring the business operations as referred to in Note 3.3 of the Statement.

5. During the year ended 31st March, 2014, the Company has accounted Mark to Market (MTM) Loss (net) of Rs.393.08 Lacs from tangible assets (net of depreciation) and Rs.85.60 Lacs from foreign currency translation reserve account have been charged to the Statement of Profit & Loss for the year, which have been shown as Exceptional Item.

On account of above, an amount of Rs.3231.14 Lacs in respect of MTM losses upon determination of fair market value of derivatives entered into by the Company have been charged.

If the Company had continue to follow the policy of deferring the write off of MTM losses, the charge for the year would have been lower by Rs.3134.32 Lacs. The Company is of the views that MTM Loss has to be worked out taking into 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 resuming that the derivative contracts would be cancelled on the reporting date shall not reflect the correct financial position. However, the banks who have



entered into derivative contracts with the Company have, intimated that the loss on account of MTM loss is Rs.7088.73 Lacs as upto 31st March, 2014 as against the amount of Rs.3391.57 Lacs as determined as per the Company's view.

6. Remuneration of Rs.114.82 Lacs paid/provided to the Executive Director is subject to the approval of the Central Government.

7. In our opinion and to the best of our information and according to the explanations given to us, on the basis stated in paragraphs 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 quarter / year ended 31st March, 2014.

8. 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 companies.

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

(Mukul Patel)
Partner
Membership No.32489

Place: Mumbai
Dated: 9th July,2014

Arshiya Limited

Registered Office: 402-403, Level 4, Ceejay House, Shiv Sagar Estate,F-Block, Dr.Annie Besant Road, Worli,Mumbai – 400 018.

CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2014

(Rs In Lacs)

		Year Ended	
		31.03.2014 (Audited)	31.03.2013 (Audited)
1	**Income from operations**		
	(a) Net sales/income from operations	51,655.73	1,13,958.91
	(b) Other operating income	-	-
	Total income from operations (net)	**51,655.73**	**1,13,958.91**
2	**Expenses**		
	(a) Cost of operations	44,550.85	82,006.90
	(b) Employee benefits expense	4,087.38	7,591.27
	(c) Depreciation and amortization expense	8,352.89	6,024.22
	(d) Other expenses	6,396.60	6,711.41
	Total expenses (a+b+c+d)	**63,387.72**	**1,02,333.80**
3	**Profit/(Loss) from operations before other income, finance cost and exceptional items (1-2)**	**(11,731.99)**	**11,625.11**
4	Other Income	1,991.88	684.66
5	**Profit/ (Loss) from ordinary activities before finance costs and exceptional items (3+4)**	**(9,740.11)**	**12,309.77**
6	Finance costs	36,629.52	25,066.74
7	**Profit/ (Loss) from ordinary activities after finance costs but before exceptional items (5-6)**	**(46,369.62)**	**(12,756.97)**
8	Exceptional Items	21,265.95	542.77
9	Prior Period Adjustments	14,913.74	-
10	**Profit / (Loss)from ordinary activities before tax (7-8-9)**	**(82,549.32)**	**(13,299.74)**
11	Tax expense (Current Tax, MAT Credit and Deferred Tax)	2,073.63	(584.42)
12	**Net Profit/ (Loss) from ordinary activities after tax (10-11)**	**(84,622.95)**	**(12,715.32)**
13	**Minority Interest**	-	-
14	**Extraordinary Item (net of tax expenses)**	-	-
15	**Net profit /(Loss) for the period (12-13-14)**	**(84,622.95)**	**(12,715.32)**
16	**Paid-up equity share capital (Face value per share Rs.2/-)**	**1,342.59**	**1,237.59**
17	**Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year**	**(10,637.71)**	**77,414.36**
18	**Earning Per Share (EPS)**		
	EPS before & after Extraordinary items (not annualised)		
	- Basic	(136.66)	(21.17)
	- Diluted	(136.66)	(21.17)
19	**Public shareholding**		
	- Number of Shares	**3,90,59,247**	**3,90,09,247**
	- Percentage of Shareholding	**58.18%**	**63.04%**
20	**Promoters & Promoter Group Shareholding**		
	a) Pledged/Encumbered		
	- Number of Shares	**1,88,20,225**	**46,10,000**
	- Percentage of shares (as a % of the total shareholding of promoter & promoter group)	**67.05%**	**20.16%**
	- Percentage of shares (as a % of the total share capital of the company)	**28.04%**	**7.45%**
	b) Non Encumbered		
	- Number of Shares	**92,50,000**	**1,82,60,225**
	- Percentage of shares (as a % of the total shareholding of promoter & promoter group)	**32.95%**	**79.84%**
	- Percentage of shares (as a % of the total share capital of the company)	**13.79%**	**29.51%**

21	**Investor Complaints**	**For the Year ended March 31,2014**
	Pending at the beginning of the Year	**Nil**
	Received during the Year	**3**
	Disposed of during the Year	**3**
	Remaining unresolved at the end of the Year	**Nil**

Arshiya Limited Mumbai

For ARSHIYA LIMITED

Ajay S Mittal

Arshiya Limited

Registered Office: 402-403, Level 4, Ceejay House, Shiv Sagar Estate,F-Block, Dr.Annie Besant Road, Worli,Mumbai – 400 018.

CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2014

(Rs in Lacs)

Sr No		31.03.2014 (Audited)	31.03.2013 (Audited)
I	**EQUITY AND LIABLITIES**		
(1)	**Shareholders' funds**		
	(a) Share Capital	1,342.59	1,237.59
	(b) Reserves and surplus	52,901.49	77,414.36
	(c) Money Received against share warrant	2,749.00	8,360.88
		56,993.08	**87,012.83**
(2)	**Non-current liabilities**		
	(a) Long-term borrowings	2,50,912.27	2,04,384.64
	(b) Deferred tax liabilities (net)	-	791.48
	(c) Other long-term liabilities	776.82	95.47
	(d) Long-term provisions	121.45	198.62
		2,51,810.54	**2,05,470.21**
(3)	**Current liabilities**		
	(a) Short-term borrowings	28,055.23	32,966.74
	(b) Trade payables	10,894.77	26,670.18
	(c) Other current liabilities	41,674.37	55,213.65
	(d) Short-term provisions	4,392.05	973.45
		85,016.42	**1,15,824.02**
	TOTAL	**3,93,820.04**	**4,08,307.06**
II	**ASSETS**		
(1)	**Non-current assets**		
	(a) Fixed assets	3,72,989.72	3,17,773.63
	(b) Goodwill on consolidation	-	598.98
	(c) Long-term loans and advances	5,065.73	11,594.67
	(d) Other non-current assets	122.03	2,360.93
		3,78,177.48	**3,32,328.21**
(2)	**Current assets**		
	(a) Current investments	-	-
	(b) Inventories	46.34	23.13
	(c) Trade receivables	8,406.03	62,374.46
	(d) Cash and Bank balances	1,010.24	836.54
	(e) Short-term loans and advances	6,178.00	12,280.93
	(f) Other current assets	1.95	463.79
		15,642.56	**75,978.85**
	TOTAL	**3,93,820.04**	**4,08,307.06**

Arshiya Limited Mumbai

For ARSHIYA LIMITED

Ajay S Mittal
Chairman & Managing Director

Arshiya Limited

Registered Office: 402-403, Level 4, Ceejay House, Shiv Sagar Estate,F-Block, Dr.Annie Besant Road, Worli,Mumbai – 400 018.

CONSOLIDATED SEGMENTWISE REPORT FOR THE YEAR ENDED MARCH 31, 2014

(Rs In Lacs)

		Year Ended	
		31.03.2014 (Audited)	31.03.2013 (Audited)
1	**Segment Revenue**		
	Logistics	25,855.08	62,613.56
	Free Trade Warehousing Zones / Distripark	6,465.89	21,140.05
	Containerised Rail Transport Operations	19,334.75	30,179.22
	Software/Others	-	26.08
	Unallocated	-	-
	TOTAL	**51,655.72**	**1,13,958.91**
2	**Segment Results**		
	Profit Before Tax & Interest		
	Logistics	1,257.54	7,355.88
	Free Trade Warehousing Zones / Distripark	(2,598.68)	8,934.50
	Containerised Rail Transport Operations	(4,065.97)	945.39
	Software/Others	(228.15)	(24.96)
	Unallocated	(4,104.85)	(5,660.56)
	TOTAL	**(9,740.11)**	**11,550.26**
	Less : Interest Expenses (Net)	36,629.51	24,307.24
	Profit Before Tax and Exceptional items	**(46,369.62)**	**(12,756.99)**
3	**Capital Employed**		
	Logistics	27,522.77	52,436.65
	Free Trade Warehousing Zones / Distripark	76,937.43	95,558.72
	Containerised Rail Transport Operations	13,436.64	10,550.24
	Software/Others	10,682.39	8,431.51
	Unallocated	39,354.91	(10,359.73)
	Inter Segmental Elimination	(1,10,941.07)	(69,604.55)
	TOTAL	**56,993.07**	**87,012.83**

Arshiya Limited Mumbai

For ARSHIYA LIMITED

Ajay S Mittal
Chairman & Managing Director

Arshiya Limited

Registered Office: 402-403, Level 4, Ceejay House, Shiv Sagar Estate, F-Block, Dr. Annie Besant Road, Worli, Mumbai – 400 018

Notes to Consolidated Results:

1) The above financial results for the year ended 31st March, 2014 have been reviewed by the Audit Committee and approved by the Board of Directors at the meeting held on 9th July, 2014.

2) The Statutory Auditors of the Company have carried out the audit on consolidated basis of the financial results for the year ended 31st March, 2014.

3.1) 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. 716.75 lacs 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. 20,834.98 lacs, 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. 4,635.28 lacs and court cases against the Company for winding up / recovery of dues and due to 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 opting for Corporate Debt Restructuring and restructuring the business operations as referred to in 3.3 of the Statement.

3.2) **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.**

Arshiya Limited Mumbai

3.3) **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 at Khurja, Uttar Pradesh into Sectors Specific Special Economic Zones,**
* **establishing an Inland Container Depot,**
* **tying up the requisite funds for the said purposes,**
* **phasing out of Logistics Business (Freight Forwarding)**

4.1) In view of the financial stress as stated above, the Chairman and Managing Director of the Company decided not to draw any Salary for the financial years 2012-2013 and 2013-2014. Consequently, the Board of Directors of the Company at their meeting held on 2nd April, 2014 decided that the Company's application to the Central Government for approval of excess remuneration of Rs. 340.76 lacs paid/provided in the years 2012-2013 and 2013-2014 be withdrawn and accordingly, the same was withdrawn. The entire remuneration paid to the Chairman and Managing Director has been recovered during the quarter ended 31st March, 2014.

4.2) An amount of Rs. 167.84 lacs being the remuneration for the year ended 31st March, 2013 paid to the Chairman and Managing Director of a subsidiary company became excess of the limits specified under the provisions of the Companies Act, 1956 in view of inadequate profit in that year. The said remuneration has been recovered during the year from the Chairman and Managing Director.

4.3) In the absence of profits, the remuneration of Rs. 114.82 lacs paid /provided to Mr. Suhas Thakar, Executive Director, 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 for approval of the excess remuneration.

Arshiya Limited Mumbai

5) During the year ended 31st March, 2014, the Company has changed its accounting policy of capitalising / deferring its Reserve for Mark to Market Losses (MTM) on its derivatives (for conversion of rupee loan liability into foreign loan) following an announcement by the Institute of Chartered Accountants of India on "Accounting for Derivatives" by charging MTM losses directly in the Statement of Profit & Loss. Due to the above change, an amount of Rs. 393.08 lacs from tangible assets (net of depreciation) and Rs. 85.60 lacs from Foreign Currency Translation Reserve Account have been charged to the Statement of Profit and Loss for the year, which have been shown as Exceptional Item.

On account of above, an amount of Rs. 3,231.14 lacs in respect of MTM losses upon determination of fair market value of derivatives entered into by the Company have been charged.

If the Company had continued to follow the policy of deferring the write off of MTM losses, the charge for the year would have been lower by Rs. 3,134.32 lacs.

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 Banks who have entered into derivative contracts with the Company have, intimated that the loss on account of MTM loss is Rs. 7,088.73 lacs as upto 31st March, 2014 as against the amount of Rs. 3,391.57 lacs as determined as per the Company's view.

Arshiya Limited Mumbai

6) **Exceptional items for the current year are as under:**

(Rs. in lacs)

Sr. No.	Particulars	Year ended 31st March, 2014
(a)	Waiver of interest	(1,417.07)
(b)	Mark to Market Losses Written off	3,709.82
(c)	Ancillary borrowing costs written off	2,146.02
(d)	Leasehold Improvements written off	111.48
(e)	Reversal of provision for investments and loans	(1,000.18)
(f)	Reversal of Managerial Remuneration	(340.76)
(g)	Profit on sale of Assets	(72.87)
(h)	Profit on sale of office premises	(66.67)
(i)	Profit on Sale of Subsidiary	(22.01)
(j)	Profession fees of Corporate Debt Restructuring	647.76
(k)	Capital Work in Progress Written Off	465.31
(l)	Bad debts written off (net of excess provision written back)	17,105.12
	TOTAL	21,265.95

Note: Figures in bracket denote item of income nature

7) 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. Out of these, 52,50,000 & 30,50,000 warrants have been converted into equity shares (in the ratio of 1 share for 1 warrant) of Rs. 2/- each at the premium of Rs.143/- per share during the financial years 2013-2014 and 2012-2013 respectively.

8) **During the year, Secured Lenders (Banks) have approved the restructuring package under "Corporate Debt Restructuring Package" (CDR), which inter-alia provided for:-**

(a) (i) Reschedulement of the principal amount of the loans and dates thereof;

Arshiya Limited Mumbai

(ii) **Funding of unpaid interest on the Term Loans from October, 2012 to October, 2014;**

(iii) **Waiver of all liquidated damages/ penal charges/ penal interest /excess interest, i.e. in excess of documented rate of all the facilities from the effective cut-off date till the implementation of the package.**

(b) Secured Lenders have a right to recompense.

(c) The benefits under the CDR package have been recognized in the Accounts for the year ended 31st March, 2014, whereby-

(i) Balance standing to the credit of interest accrued and due on loans (net of waiver) as of 31st March, 2013 and interest for the year aggregating to Rs. 35,939.01 lacs has been transferred to Funded Interest Term Loan (FITL);

(ii) Interest on Secured Loans of Rs. 1,417.07 lacs waived by the Secured Lenders (Banks) has been disclosed in the Statement of Profit & Loss as "Exceptional Item".

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

9) (a) 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.

(b) The Scheme has been filed with Hon. High Court of Bombay on 27th March, 2014 and is pending for approval.

10) In case of a subsidiary, certain invoices raised in prior years on certain clients have been reversed, as the agreed services could not be rendered due to certain regulatory requirement having not been fulfilled as per contract with such Clients.

Arshiya Limited Mumbai

11) The Company has decided to phase out its logistics operations. In view of the same, the Company assigned certain outstanding book debts aggregating to Rs. 26,265.53 lacs and certain outstanding trade payables aggregating to Rs. 26,212.07 lacs in respect of its logistics operations for the period as upto 31st December, 2013.

12) Tax Expense for the current year represents income tax liability amounting to Rs. 2,865.11 lacs of previous year and reversal of deferred tax liability of Rs. 791.48 lacs.

13) 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



Ajay S Mittal

Chairman and Managing Director

Place: Mumbai

Date: 9th July, 2014