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.

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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